Centre for Actuarial Studies

Department of Economics

Students’ Guide 2013

29/07/2013
# Students’ Guide 2013

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1. Introduction

The Centre for Actuarial Studies has produced this guide to assist students undertaking Actuarial Studies as part of their BCom or BCom (Honours) degree.

The guide is intended to provide information on various questions that you may have as you complete your studies, as well as give you some general information about the possible subjects that you can take and the assistance available to you.

The guide is set out in a number of sections. A short description of each section is set out below, while the various issues that are addressed can be quickly accessed by use of the contents page.

2. Course Planning

This section includes details about the subjects you should take as part of your BCom degree if you wish to major in Actuarial Studies. Necessary subjects in each of the three years of an undergraduate degree are outlined, together with information about completing an honours year.

3. Actuarial Subjects

There are a number of issues that are specifically related to the subjects offered by the Centre for Actuarial Studies, including available resources, prizes and scholarships. These are outlined in this section.

4. Other Issues

This section covers miscellaneous issues that you may find important, such as how to find out about potential employment opportunities, where you can seek assistance if you are struggling to cope with your course and what the Actuarial Students’ Society does.

5. Exchange Program

The Centre for Actuarial Studies has an exchange agreement with the Department of Actuarial Mathematics and Statistics, Heriot-Watt University, Edinburgh, Scotland. This section contains details of the exchange program, including who is eligible for the program and how to apply.

6. Qualifying as an Actuary

This section provides an overview of how to qualify as a Fellow of the Institute of Actuaries of Australia. It includes information about how subjects offered as part of a degree correspond with subjects required by the Institute and how exemptions can be obtained from Institute subjects. Details on how to join the Institute of Actuaries of Australia are also contained in this section.

7. Staff of the Centre for Actuarial Studies

Centre staff contact details are included in this section.

We hope you find this guide useful and informative. It is current at 31 January 2013 and may be updated from time-to-time. If you have any suggestions about how the guide can be improved, please pass them to the staff at the Centre for Actuarial Studies.
You should note that while this guide is intended to provide information to you, it is not a legal document and does not replace or override the guidelines and information set out in official University publications.

The Centre for Actuarial Studies is not responsible for any actions taken by you on the basis of information set out in this document. You should refer to official University publications and information tools for complete up to date information and direction.
2. Course Planning

General Issues

What are the criteria for completing a BCom degree?

You require 300 points to complete a BCom degree. Of these, between 87.5 and 125 points must be from level-1 subjects and at least 75 points must be from level-3 subjects. Of the required level-1 and level-3 points, at least 50 must be from subjects offered by the Faculty of Business and Economics, the University of Melbourne. You can take up to 100 points from subjects taught outside the Faculty and still achieve a BCom degree. A Commerce major must be completed.

There are five compulsory subjects in the BCom: Introductory Microeconomics, Introductory Macroeconomics, Organisational Behaviour and two quantitative subjects. Students with an actuarial specialisation satisfy the quantitative subjects requirement by taking MAST20004 Probability and MAST20005 Statistics, and hence should NOT enrol in subjects such as Quantitative Methods 1 and 2.

Breadth is an important component of undergraduate degrees. BCom students specialising in actuarial studies will satisfy the breadth component of their degree by completing two first year maths subjects, MAST20004 Probability and MAST20005 Statistics plus two other subjects which are neither commerce subjects nor subjects offered by the Department of Mathematics and Statistics. Normally, one of these subjects will be at level-1, and the other at level-2.

It is important to realise that you are enrolled in the BCom and to satisfy the degree requirements you must pass the appropriate number of Commerce subjects. If you should fail a subject in actuarial studies you are not obliged to repeat the subject in order to obtain your BCom. You will, however, need to make up the 12.5 subject points.

Introduction

The following advice is based on the assumption that a student wishes to obtain as many exemptions as possible from the professional exams of the Institute of Actuaries of Australia. Therefore recommended subjects for each year of study include both exemption subjects and prerequisites for exemption subjects.

First Year

What subjects should I do in my first year of Actuarial Studies?

The first year of Actuarial Studies provides you with a broad skill base from the Faculty of Business and Economics and the Faculty of Science. It is recommended that you study the following subjects:

First Semester:
ACCT10001  Accounting Reports and Analysis
ECON10004  Introductory Microeconomics
MAST10008  Accelerated Mathematics 1
Breadth subject
Second Semester:

- ACTL10001  Introduction to Actuarial Studies
- ACCT10002  Introductory Financial Accounting
- ECON10003  Introductory Macroeconomics
- MAST10009  Accelerated Mathematics 2

Most of the above are prerequisites for level-2 subjects (see page 6) and you are strongly encouraged to complete these subjects.

ACTL10001 Introduction to Actuarial Studies is not a prerequisite for level-2 subjects and hence it is possible to enter second year without it. However, completing this subject will give you a clearer view of actuarial work.

Breadth subjects

The Centre for Actuarial Studies will not offer any advice on which subjects you should take as breadth subjects, other than to advise that you should take subjects that interest you and expand your horizons. Other faculties, including both Arts and Science, offer sequences of subjects at first and second year level, and there are also sequences of University Breadth Subjects.

Are there any prerequisites to these subjects?

Entry to MAST10008 Accelerated Mathematics 1 is subject to a high level of achievement in VCE Specialist Mathematics 3/4 or equivalent. Students with a raw study score of 38 or more in this subject, or with permission from the Director of the Mathematics and Statistics Learning Centre, may enter the subject directly. Students with lower study scores and who do not gain direct entry can enter the subject by taking a placement test in the week before semester starts.

If you are not able to enter MAST10008, it is recommended that you enrol in MAST10006 Calculus 2 in Semester 1, and then MAST10007 Linear Algebra in Semester 2.

Students who have not completed VCE Specialist Mathematics 3/4 or equivalent must take the sequence of MAST10005 Calculus 1 in Semester 1, followed by MAST10006 Calculus 2 and MAST10007 Linear Algebra in Semester 2. Such students should not enrol in ACTL10001 Introduction to Actuarial Studies.

If you have completed UMEP (University of Melbourne Enhancement Program, formerly MUPHAS) mathematics, you will be exempt from MAST10008 Accelerated Mathematics 1. This means that you will have a space in semester 1. It is recommended that you enrol in MAST20009 Vector Calculus instead of MAST10008 – which is a second year mathematics subject – if you have achieved H3 or better in UMEP.

The subject ACCT10002 Introductory Financial Accounting requires ACCT10001 Accounting Reports and Analysis. If you completed Trinity College Foundation Program’s accounting course and have applied for and been granted an exemption from ACCT10001 Accounting Reports and Analysis through the Faculty, however, with a mark of 88% or more, you are not required to complete ACT10001 Accounting Reports and Analysis. This means that you have an extra choice of subject in first semester.

Mid-year intake

If you enter university in second semester, it is imperative that you are in a position to take subjects ACTL20001 Financial Mathematics I and MAST20004 Probability at the start of the next semester. This means that you must complete MAST10009 Accelerated Mathematics 2
(or MAST10006 Calculus 2) and MAST10007 Linear Algebra in Semester 2 (i.e. in your first semester at university).

It is not essential to enrol in ACTL10001 Introduction to Actuarial Studies, but students who do not enrol in this subject are encouraged to work their way through the prescribed textbook during the summer break.

It is strongly recommended that mid-year intake students complete summer semester subjects in the two summers following their enrolment, so that they can complete the BCom degree at the end of a calendar year and enter honours in the following year.

A specimen program for a mid-year intake student is as follows:

**Second semester:**
- MAST10009 Accelerated Mathematics 2 (or MAST10006 Calculus 2)
- MAST10007 Linear Algebra
- ECON10004 Introductory Microeconomics
- ACCT10001 Accounting Reports and Analysis

**Summer semester:**
- ACCT10002 Introductory Financial Accounting
- One other subject*

**First semester of following year:**
- ACTL20001 Financial Mathematics I
- MAST20004 Probability
- ECON10002 Introductory Macroeconomics
- One other subject

*Note that MAST10007 Linear Algebra is offered during the summer semester. Students may elect to swap the elective subject from summer and MAST10007 in the specimen program above.

**What do I need to achieve in first year to continue Actuarial Studies in second year?**

There is no set minimum level of marks that you need to achieve in first year in order to undertake second year Actuarial Studies. Provided you have the necessary prerequisites and fulfill Faculty requirements, you can enrol in level-2 actuarial subjects.

However, if you intend to complete the professional qualification to become an actuary (see page 17), it is suggested that you should achieve an average mark of at least 70% across your first year subjects. Past experience suggests that if your average mark is much less than this you may find it difficult to complete the actuarial subjects in future years at a standard high enough to achieve the professional qualification. You may wish to speak with a staff member of the Centre about your situation at the end of your first year.

It is important to note that entry to the key second year actuarial subject ACTL20001 Financial Mathematics I is based on a student's score in first year mathematics subjects. Students taking MAST10008 and MAST10009 must pass both subjects and average 60% over the two subjects. Students taking MAST10006 and MAST10007 must average 75% over the two subjects. It is also possible to enter ACTL20001 by obtaining an aggregate of 135 marks in MAST10009 and MAST10007.
What if I decide that I no longer wish to pursue Actuarial Studies at the end of first year?

If you decide that Actuarial Studies is not for you at the end of your first year, the subjects set out above are broad enough to allow you to switch to another area of study within the Faculty. For example, you may choose to major in Economics and/or Finance, and you can still achieve a BCom degree by the end of three years at University. Alternatively, you may wish to apply to change to a degree from another faculty.

The Director of Study for 1st year students is Dr Ping Chen. Year level Directors of Study will offer advice on academic matters.

Second Year

What subjects should I complete in my second year of Actuarial Studies?

In your second year, you should study the following subjects:

<table>
<thead>
<tr>
<th>Subject</th>
<th>Prerequisites</th>
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</thead>
<tbody>
<tr>
<td><strong>First Semester:</strong></td>
<td></td>
</tr>
<tr>
<td>ACTL20001 Financial Mathematics I</td>
<td>Accelerated Mathematics I and 2, averaging at least 60 *</td>
</tr>
<tr>
<td>FNCE20001 Business Finance</td>
<td>Accounting Transactions and Analysis</td>
</tr>
<tr>
<td>MAST20004 Probability</td>
<td>and a level-1 Mathematics subject *</td>
</tr>
<tr>
<td>MGMT20001 Organisational Behaviour</td>
<td>Accelerated Mathematics 1 and 2 *</td>
</tr>
<tr>
<td><strong>Second Semester:</strong></td>
<td></td>
</tr>
<tr>
<td>ACTL20002 Financial Mathematics II</td>
<td>Financial Mathematics I and Probability</td>
</tr>
<tr>
<td>MAST20005 Statistics</td>
<td>Probability *</td>
</tr>
<tr>
<td>ECON20001 Intermediate Macroeconomics</td>
<td>Introductory Macroeconomics and Introductory Microeconomics</td>
</tr>
<tr>
<td>Breadth subject</td>
<td></td>
</tr>
</tbody>
</table>

*There are some alternative prerequisites for these subjects. Consult the online version of the Undergraduate Studies Handbook for more information.

Some variation of the above sample program is possible as MGMT20001 Organisational Behaviour is offered in both Semester 1 and Semester 2.

Students considering going on exchange (see page 16) must enrol in MGMT20001 Organisational Behaviour in their second year of study.

Are there any criteria for entering third year Actuarial Studies?

There are no set criteria for entering third year Actuarial Studies. You can elect to undertake actuarial subjects in third year providing you have the necessary prerequisites. However, the recommended subjects in third year are heavily concentrated towards actuarial studies and hence at this stage you should be sure that you wish to complete your degree with a major in Actuarial Studies.

The Director of Study for 2nd year students is Professor Mark Joshi. Year level Directors of Study will offer advice on academic matters.
**Third Year**

**What subjects should I do in third year?**

In third year, there are currently six actuarial subjects that can be taken, one of which (ACTL30003) is a double subject worth 25 points.

The recommended subjects for third year are:

<table>
<thead>
<tr>
<th>Subject:</th>
<th>Prerequisites:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First Semester:</strong></td>
<td></td>
</tr>
<tr>
<td>ACTL30001 Actuarial Modelling I</td>
<td>Financial Mathematics II and Statistics</td>
</tr>
<tr>
<td>ACTL30002 Actuarial Modelling II</td>
<td>Financial Mathematics II and Statistics</td>
</tr>
<tr>
<td>ACTL30006 Financial Mathematics III</td>
<td>Financial Mathematics II</td>
</tr>
<tr>
<td>One other subject</td>
<td></td>
</tr>
<tr>
<td><strong>Second Semester:</strong></td>
<td></td>
</tr>
<tr>
<td>ACTL30003 Contingencies</td>
<td>Actuarial Modelling I</td>
</tr>
<tr>
<td>ACTL30004 Actuarial Statistics</td>
<td>Actuarial Modelling II</td>
</tr>
<tr>
<td>ACTL30005 Models for Insurance and Finance</td>
<td>Financial Mathematics III and Statistics</td>
</tr>
</tbody>
</table>

**Please Note:**

The Director of Study for 3rd year students during the 1st semester is Professor Mark Joshi, and during the 2nd semester is Dr Xueyuan Wu. Year level Directors of Study will offer advice on academic matters.

**Major in Actuarial Studies**

To obtain a major in Actuarial Studies a student must complete 37.5 points of third year Actuarial Studies subjects.
**Honours Year**

**Should I do an honours degree?**

There are many advantages in completing an honours year. An honours degree will give you the opportunity to broaden your knowledge and skill base, as well as allowing you to complete a research based subject.

Some employers (particularly the public service and some investment and finance firms) will only employ graduates with an honours degree, and hence completing a higher level degree will open up more employment opportunities to you.

By studying for honours, you have the opportunity to obtain exemption from all subjects that comprise Part I of the Institute of Actuaries of Australia’s professional examinations. Additionally, Part II of the qualification as a Fellow of the Institute of Actuaries of Australia (see page 17) is covered in the honours year. It can be advantageous to study these subjects as a full time honours student, rather than attempting them after graduation on a part time basis while you are working.

**What are the criteria for doing an honours year?**

Students who have completed the BCom with a major in Actuarial Studies may apply to the Faculty for entry to the honours year.

Entry into honours usually requires students to:

1. have satisfied the requirements for a BCom degree (see page 3)
2. have achieved a grade of at least H2B in four level-3 actuarial subjects.

Note that ACTL30003 counts as two subjects. Thus, a mark of 74 in ACTL30003 would count as two H2B grades.

If you do not meet the requirements for an honours year, you may still apply and your application will be considered in terms of your overall academic record. However, only in exceptional circumstances would such an application be successful.

You should also note that meeting the above two requirements does not guarantee a place in honours. For example, a student who completed eight level-3 subjects with four marks in actuarial subjects of 70 and four marks of 50 meets the requirements, but would not be admitted. The Centre will only admit students who it believes can successfully complete the honours year.

**How do I apply to undertake an honours degree?**

Students interested in doing honours must make a formal application. Local students must apply online at [https://sis.unimelb.edu.au/cgi-bin/course-application.pl](https://sis.unimelb.edu.au/cgi-bin/course-application.pl) and submit their printed application, along with supporting documentation, to the Commerce Student Centre, [http://fbe.unimelb.edu.au/csc](http://fbe.unimelb.edu.au/csc) Faculty of Business and Economics, Upper Ground Floor, ICT Building. International students must submit an International Undergraduate Application, available either at [https://sis.unimelb.edu.au/cgi-bin/admissions.pl/index.html](https://sis.unimelb.edu.au/cgi-bin/admissions.pl/index.html) online or from the [International Centre](http://futurestudents.unimelb.edu.au/info/international).

Please also download this form which details additional information to be submitted with your application: [http://www.bcom.unimelb.edu.au/about/honours/apply.html](http://www.bcom.unimelb.edu.au/about/honours/apply.html)
The Faculty Secretariat will write to you, probably in early January, to advise if your application has been accepted or not. Your offer letter will include information and instructions for enrolment.

What subjects should I undertake in my honours year?

It is compulsory for honours in Actuarial Studies that a student completes either ACTL40001 Actuarial Studies Research Essay or ACTL40005 Actuarial Studies Projects. A suggested program is:

<table>
<thead>
<tr>
<th>Subject</th>
<th>Prerequisites</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First Semester:</strong></td>
<td></td>
</tr>
<tr>
<td>ACTL40002 Risk Theory I</td>
<td>Actuarial Statistics</td>
</tr>
<tr>
<td>ACTL40005 Actuarial Studies Projects</td>
<td>Entry into honours</td>
</tr>
<tr>
<td>or ACTL40001 Actuarial Studies Research Essay</td>
<td></td>
</tr>
<tr>
<td>ACTL40006 Actuarial Practice and Control I</td>
<td>Contingencies and Actuarial Statistics</td>
</tr>
<tr>
<td><strong>Second Semester:</strong></td>
<td></td>
</tr>
<tr>
<td>ACTL40005 Actuarial Studies Projects</td>
<td>Entry into honours</td>
</tr>
<tr>
<td>or ACTL40001 Actuarial Studies Research Essay</td>
<td></td>
</tr>
<tr>
<td>Three out of the following four subjects:</td>
<td></td>
</tr>
<tr>
<td>• ACTL40003 Risk Theory II</td>
<td>• Risk Theory I</td>
</tr>
<tr>
<td>• ACTL40008 Advanced Financial Mathematics II</td>
<td>• Advanced Financial Mathematics I</td>
</tr>
<tr>
<td>• ACTL40007 Actuarial Practice and Control II</td>
<td>• Contingencies and Actuarial Statistics</td>
</tr>
<tr>
<td>• ACTL40009 Actuarial Practice and Control III</td>
<td>• Actuarial Statistics, Contingencies and Financial Mathematics III</td>
</tr>
</tbody>
</table>

**Other Subjects**

To complete your honours degree you must complete 75 points from level-4 Actuarial Studies subjects, plus two further subjects at level-3 or higher (which can be offered by any faculty).

Students will either be completing Actuarial Studies Projects or the Research Essay, but not both. Advice on whether to undertake ACTL40001 or ACTL40005 will be given by the Actuarial Staff. The projects are three in number and are spread out over the academic year, while the research essay is also a double subject which is undertaken throughout the academic year. Your study plan for your honours year must be approved by the Centre.

The subjects that you take in your honours year will be somewhat dependent on the subjects you have previously studied as most level-4 subjects have prerequisites at level-3.

The Director of Study for honours year students is Associate Professor Shuanming Li. Year level Directors of Study will offer advice on academic matters.
3. Actuarial Subjects

There are a number of issues that are specifically related to the subjects offered by the Centre for Actuarial Studies. Information about these is set out below.

Syllabus

The subjects offered by the Centre for Actuarial Studies are set out in the University Undergraduate Studies Handbook – see https://handbook.unimelb.edu.au/faces/htdocs/user/search/SimpleSearch.jsp

Assessment

How are the actuarial subjects assessed?

Like most University subjects, actuarial subjects are assessed by the lecturer in charge in accordance with the criteria set out in the University Undergraduate Studies Handbook.

All subjects are currently assessed by an end of semester examination, and most subjects also have assignments forming part of the assessment.

Grades (and marks) are set by the lecturer in charge and scrutinised by all Centre Staff at an examiners’ meeting before results are released.

Are marks for all students standardised?

Marks in each subject are not adjusted to fit a specified distribution. This means that if all students achieve a standard of H1, then all students will receive this grade. Likewise if no student achieves the performance required for an H1 grade, this grade will not be awarded.

What can I do if I do not agree with the final grade that I receive?

If you are not happy with your assessment in a particular subject, you can request to view your exam paper. Such a request should be made as soon as you know the result.

To do this, you need to complete a form detailing the reasons why you wish to view your paper. This form is available on the Economics Department web site after the end of each semester. Staff will arrange a time for you to view your paper.

You should note, however, that the University has issued a directive to staff that a mark should not change unless an answer has not been marked or marks have been incorrectly added. Viewing an exam script is not an opportunity to argue for more marks. It is simply an opportunity to receive high level feedback about your performance.
Can I apply for special consideration?

If your circumstances are such that you are unable to sit an examination or if you believe that your performance has been affected by some significant event, you can apply for special consideration.

To apply for special consideration, you must complete the application online through your Student Portal [http://portal.unimelb.edu.au](http://portal.unimelb.edu.au) and return the Health Professional Report (HPR) Form to the University.

Before completing an online application students should read the Special Consideration information available at [http://gsbe.unimelb.edu.au/students/services/special_consideration](http://gsbe.unimelb.edu.au/students/services/special_consideration).

There are time limits involved in submitting an application for Special Consideration and you should contact the GSBE Student Centre immediately if you believe that such an application is warranted. If you are awarded a special exam, you will have to sit this exam at very short notice within the supplementary exam period.

**Resources**

**What resources are available to me to assist my study program?**

Each lecturer will outline resources that are available for specific subjects. These will include prescribed texts and recommended reading lists. Items such as tutorial questions, past examination papers and popular reading materials may also be available on reserve at the Baillieu Library, depending on the lecturer in charge.

From a general perspective, actuarial texts are available in the Baillieu Library and in the Giblin Eunson Library under the Dewey code 368. Actuarial journals are maintained in the Giblin Eunson Library. Textbooks can be purchased from the University Bookshop in the Baillieu Library.

The Centre for Actuarial Studies home page on the Internet is also a useful resource, with links to relevant websites. The website address is [http://www.economics.unimelb.edu.au/Act/](http://www.economics.unimelb.edu.au/Act/)

**What computer resources are used in Actuarial Studies?**

Some subjects utilise a computer package called ADVANCE. This package is useful for level-1, level-2 and level-3 subjects and is available on the University computer network in the undergraduate and honours students’ computer laboratories. The R Project for Statistical Computing is also used in some level-3 subjects.

A working knowledge of standard software packages such as Excel and Word will help you in some level-1, level-2 and level-3 subjects. Visual Basic (also known as VBA) is a programming language that is used in some subjects in fourth year.

Access to the Internet is also available via the University computer network. The Internet is a valuable source of information, particularly for honours students.
Where are the computer laboratories and what are their hours of operation?

There are two undergraduate computer labs, one honours lab and one postgraduate lab available to students enrolled in subjects in the Faculty of Business and Economics:

Bouverie St. Undergraduate Laboratory  
**Location:** 233 Bouverie Street.  
**Opening Hours:** During the teaching period, the lab is open 9am-9:30pm weekdays and 10am-3pm on weekends. During the swotvac and the exam period, it is open 9am-9:30pm weekdays and 10am-3pm weekend. Out of semester, the lab is open 9am-5pm weekdays and is closed on weekends and university holidays.

Postgraduate Laboratory  
**Location:** Level 4, 198 Berkeley Street (the Spot).  
**Opening Hours:** During the teaching period, the lab is open from 9am-9pm weekdays. During swotvac and the exam period it is open from 9am-9pm weekdays. Out of semester, the lab is open 9am-5pm weekdays and is closed on university holidays.

These opening hours are subject to change. Updated information about opening hours is available at [http://www.ecom.unimelb.edu.au/services/computing](http://www.ecom.unimelb.edu.au/services/computing).

Where are the libraries?

The Giblin Eunson Library is located on the ground floor of the ICT building.

The Baillieu Library is adjacent to the Arts West building.

*Library opening hours change over time and are different during non-teaching periods; current opening hours are posted on the internet*  
Prizes and Scholarships

Are there any scholarships available for actuarial students?

The Faculty of Business and Economics offers some scholarship assistance to students with good academic records. These are awarded independently of the Centre for Actuarial Studies.

Are there any prizes available for academic performance in actuarial subjects?

A number of firms sponsor prizes to the best eligible student in selected subjects. To be eligible for a prize, you must be a degree student of the University of Melbourne, attempting the subject for the first time. Details of prizes will be announced by lecturers.

Current Prize sponsors are:

- ANZ
- CommInsure
- Taylor Fry
- The Institute of Actuaries of Australia
- Tillinghast Towers Perrin
- Deloitte Actuaries & Consultants

The Martin Jilovsky Memorial Prize is awarded to the top student in 3rd year.

There is a University Medal for the top honours graduate in Actuarial Studies.
4. Other Issues

Calculators in Exams

The Centre’s policy on calculators in exams is the same as the profession’s policy. You may only use one of the following calculators in actuarial exams (including mid-semester tests):

- Casio FX82 (with or without any suffix)
- Casio FX83 (with or without any suffix)
- Casio FX85 (with or without any suffix)
- Sharp EL531 (with or without any suffix)
- Texas Instruments BA II Plus (with or without any suffix)
- Texas Instruments TI-30 (with or without any suffix)

The Centre takes this policy very seriously. Any student found to be in breach of this policy will be disciplined.

Potential Employment

Vacation Work

A number of employers offer vacation work to students over the summer break. These short term jobs can lead to offers of full time employment in the longer term.

Job announcements are posted on the notice boards in the Centre for Actuarial Studies. You should check these regularly to see what kind of jobs may be available to you.

You can also approach firms directly to see if they have any openings for you on either a vacation or full time work basis. A list of potential employers can be obtained from the Actuarial Students’ Society (see page 15).

Employment on Graduation

Actuaries work with a number of employers, including:

- consulting firms
- life insurance companies
- general insurance companies
- health insurance companies
- investment companies
- merchant banks
- stockbrokers
- governments
- universities

As with vacation work, notices about job opportunities are posted on the notice boards in the Centre for Actuarial Studies. Job opportunities with employers seeking graduates may also be announced during lectures, particularly in your third year.

The Actuarial Students’ Society organises a number of functions to facilitate meetings between students and actuaries (see page 15) and these are also a valuable source of job opportunities.

Remuneration varies with the type of job and the employer, but most students may expect to receive a minimum starting salary (after a three year BCom degree) in the range of $40,000 to $45,000. Honours graduates may expect a higher starting salary. Apart from salary,
working conditions will vary between employers and you should consider other aspects of employment such as the availability of study leave.

Past experience has shown that actuarial graduates have little trouble in gaining employment, especially those students who complete an honours degree.

Guidance and Assistance

You may need some help with a number of issues throughout your studies. You may be having some problems in planning your course or you may wish to discuss career opportunities. You may simply be falling behind in your studies due to circumstances beyond your control and you may need someone to talk to.

Student Counselling

The University provides a student counselling service located at Level 2, 138 Cardigan Street in Carlton. The contact number is (03) 8344 6927 or (03) 8344 6927.

Language Skills

If English is not your first language, you may require some assistance to ensure that your written work is grammatically correct. The English as a Second Language (ESL) program can provide you with assistance in this area.

The ESL program is located at the Academic Skills Unit (Level 1, 723 Swanston Street, Carlton, telephone (03) 8344 0930). Information on all services provided by the Academic Skills Unit can be found at http://www.services.unimelb.edu.au/asu/.

Actuarial Students’ Society

The Actuarial Students’ Society is a student body which operates independently of the Centre for Actuarial Studies. The major aim of the Society is to bring the students closer to the actuarial community. They organise a variety of functions with practicing actuaries working in business, including guest lectures, formal luncheons and the annual “Contact Night”. These functions provide a great opportunity for students to meet potential employers and can lead to job opportunities.

The Society’s other major objective is to create an enjoyable sociable atmosphere for actuarial students via BBQs, pizza nights, movie nights and an end of year party.

Keeping Up To Date

The notice boards in the Centre for Actuarial Studies and in the foyer on the ground floor of the Economics and Commerce building provide a vast amount of information including details about job opportunities, current news articles, etc.

You should regularly check these boards to stay up to date with current issues.
5. Exchange Program

What is the exchange program?

The Centre for Actuarial Studies has an exchange agreement with the Department of Actuarial Mathematics and Statistics, Heriot-Watt University, Edinburgh, Scotland. Each year, up to two students from each University can spend a year at the other institution, gaining credits towards their degree and also having the opportunity to gain exemptions from professional actuarial exams.

Who is eligible for the program?

The program is open to third year students with a good academic record who intend to complete an honours year.

How does the program work?

The academic year at Heriot-Watt starts in September and finishes in June. Hence, students on the exchange program complete the first semester of their third year at the University of Melbourne before travelling to Edinburgh for a year. On returning to Melbourne in the following year, students will have completed the BCom degree provided sufficient subjects have been taken at both Heriot-Watt and Melbourne. Students complete their honours degree by spending the second semester after their return undertaking subjects at the University of Melbourne.

If you are participating in the program, there are some constraints on the subjects that need to be taken in third year at both Heriot-Watt and Melbourne. You will be advised of details at the time applications are called for. Students considering going on exchange must enrol in MGMT20001 Organisational Behaviour in their second year of study.

Is there financial support for the exchange?

Tuition fees are not required to be paid in Edinburgh, but you will still be subject to HECS or fees in Australia. Exchange students are considered automatically for a Melbourne Global Grant. No separate application form is necessary. Students will be ranked by grade average and some students will receive a grant of $2500. There is no longer any guaranteed minimum grant. Other funding is also available. Detailed explanation of the various possibilities available to Exchange students is available at

http://www.mobility.unimelb.edu.au/outbound/funding/exchange-funding.html

Other than the financial help above you will be required to provide the necessary funds for travel, accommodation and living expenses in Edinburgh. The Centre for Actuarial Studies does not provide any financial assistance for the exchange program.

When can I apply for the exchange?

Applications are called for in your second year, around August. You must submit your application on the official application form that will be available from the Centre for Actuarial Studies. You will be given more information in the first semester of your second year and applications must be submitted during second semester, usually in September.

Applications will be assessed by staff of the Centre for Actuarial Studies, and the successful applicants will usually be advised before the end of October. Faculty approval is required for the exchange, and is normally given based on the Centre’s recommendation.
6. Qualifying as an Actuary

How do I qualify as an Actuary?

Completing a BCom degree with a major in Actuarial Studies will not mean that you are qualified as an actuary. Rather, you will have some actuarial skills and may be part way through the qualification process. An actuary is a professional, and the governing body of the profession sets the criteria necessary to qualify as an actuary.

The requirements to qualify as an actuary depend on which professional body you join, e.g. Australian, British or American. However, all professional bodies generally require you to complete two types of examination: core examinations that equip you with the basic skill set that you need to be an actuary; and practical examinations where you are required to apply these skills and use judgment in a specific practical environment.

To qualify as a Fellow of the Institute of Actuaries of Australia (FIAA), you must complete three areas of study.

**Part I: Subjects CT1 – CT8**

The Institute requires you to complete eight core subjects which cover the basic skills required by an actuary.

These eight subjects correspond to subjects taught at the University of Melbourne. If you perform sufficiently well, you will be recommended for exemption from the subjects offered by the Institute (see page 18).

The subjects may also be completed via a correspondence course with the Institute and Faculty of Actuaries in the UK. These are particularly relevant if you do not achieve an exemption while completing your degree.

Part I subjects are the same as the Core Technical (CT) Subjects CT1-CT8 from the UK.

**Part II 2011: Part II A & B**

The aim of this part of the qualification is to introduce a generalised actuarial approach to a range of commercial problems. It introduces areas of practice and provides an insight into how actuarial techniques can be used in non-traditional fields.

The Institute's Part II syllabus is changing from 1 January 2011. The Part II syllabus before 2011 will continue to be known as "Part II: The Actuarial Control Cycle". The new Part II syllabus will be known as "Part II 2011". The Part II 2011 is comprised of:

- Part IIA – The Actuarial Control Cycle
- Part IIB – Investment and Asset Modeling

This is offered as three university subjects in the honours year in Actuarial Studies.

A high enough average mark must be achieved in university exams in order to obtain an exemption from Part II (see page 18).

**Part III: Specialist Subjects**

Part III is examined directly by the Institute of Actuaries of Australia and is not currently taught at universities.
You must complete four modules. There are two compulsory modules in Investments or Enterprise Risk Management and in Commercial Actuarial Practice. There are two further modules in one of the following areas: Life Insurance, General Insurance, Global Retirement Income Systems, Investment Management and Finance. It is possible that other practice areas will be added over the coming years.

Is the FIAA qualification recognised in other countries?

The FIAA qualification is recognised by the Institute and Faculty of Actuaries in the UK after 12 months residence and practice in the UK. Other countries/regions such as Hong Kong, Malaysia and New Zealand also recognise the FIAA qualification in most areas of practice.

The USA has slightly different rules but if you are an FIAA, you can automatically become an Associate of the Society of Actuaries.

What is an Associate of the Institute of Actuaries of Australia?

You become an Associate of the Institute of Actuaries of Australia (AIAA) once you complete Parts I and II of the Australian course, a professionalism course and have three years of professional experience. This qualification is not recognised overseas. Once you become an Associate, you are entitled to call yourself an actuary.

How does Part I correspond with international courses?

Part I is equivalent to the Core Technical subjects CT1-CT8 studied in the UK. Hence completion of Part I in Australia means that you have completed the first eight subjects offered by the Institute and Faculty of Actuaries in the UK.

There are also similarities between the course offered by the Society of Actuaries in the USA and Part I of the Australian course. You can apply for exemptions from some of the Society of Actuaries’ subjects if you have completed some or all of Part I. Further details are available from the Institute of Actuaries of Australia.

Exemptions

What are the exemption subjects and what level is required?

If you complete certain subjects at the University of Melbourne, and achieve a sufficiently high standard, you will be recommended for exemption from the corresponding subjects of the Institute of Actuaries of Australia. Table 1 on the next page sets out the correspondence between University and Institute subjects.

The standard required for exemption is an average mark of 73 or better in subjects taught outside the Centre, i.e. subjects with a prefix that is not ACTL. There is a minimum requirement of a mark of 50 or better in each subject. Thus, for example, marks of 70 and 76 would suffice, while marks of 48 and 98 would not.

For subjects taught in the Centre in second and third year, recommendations for exemptions will be based on performance in end of semester exams only. For subjects ACTL40002 (Risk Theory I) and ACTL40004 (Advanced Financial Mathematics I), the university marks are used for exemptions (so the mid-semester exam counts as well). Students who are awarded a university grade of H1 or H2A usually obtain exemptions, while students who are awarded H3, P or N usually do not. It is quite common for students who are awarded H2B to obtain exemption, but this is not always the case.
If you do not obtain the mark in a subject needed to achieve exemption from professional exams you do not need to repeat the subject. As long as you achieve a pass mark or above the subject will still be credited towards your BCom, but you will not receive exemption from the professional exam.

**Table 1  Institute/University subjects**

<table>
<thead>
<tr>
<th>Institute Subject</th>
<th>University Subjects</th>
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</thead>
<tbody>
<tr>
<td><strong>Part I</strong></td>
<td></td>
</tr>
</tbody>
</table>
| CT 1 Financial Mathematics | ACTL20001 Financial Mathematics I  
 ACTL20002 Financial Mathematics II |
| CT 2 Finance and Financial Reporting | ACCT10002 Introductory Financial Accounting  
 FNCE20001 Business Finance |
| CT 3 Probability and Mathematical Statistics | MAST20004 Probability  
 MAST20005 Statistics |
| CT 4 Modelling          | ACTL30001 Actuarial Modelling I  
 ACTL30002 Actuarial Modelling II |
| CT 5 Contingencies      | ACTL30003 Contingencies                                 |
| CT 6 Statistical Methods | ACTL30004 Actuarial Statistics  
 ACTL40002 Risk Theory I |
| CT 7 Economics          | ECON10004 Introductory Microeconomics  
 ECON20001 Intermediate Macroeconomics |
| CT 8 Financial Economics | ACTL30006 Financial Mathematics III  
 ACTL40004 Advanced Financial Mathematics I |
| **Part II**             |                                                         |
| Part II A: The Actuarial Control Cycle | ACTL40006 Actuarial Practice and Control I  
 ACTL40007 Actuarial Practice and Control II |
| Part II B: Investment and Asset Modeling | ACTL40009 Actuarial Practice and Control III |

**What happens if my marks are less than those needed for an exemption?**

If you miss the required marks in exemption subjects, you will not be recommended for an exemption. If you wish to try again for an exemption, you can resit subjects in two ways.

First, you can resit the relevant subjects at the University of Melbourne as a continuing education student. You will be required to pay a fee as a Community Access Program student (CAP) (approximately $3,300 per subject), but you are not subject to HECS. The result you achieve on the resit examination does not impact on your BCom degree results. Note that if you have obtained a high mark in one exemption subject but a low mark in the partner subject, you need only retake the subject in which you obtained the lower mark. For example if a student obtained 73 in MAST20004 and 70 in MAST20005, the student could obtain exemption from CT3 by retaking MAST20005 through the Community Access Program and obtaining a mark of 73 or better.

Alternatively you may resit Part I subjects by taking the relevant correspondence courses directly with the Institute and Faculty of Actuaries in the UK. To sit the UK subjects you must be a member of the Institute of Actuaries of Australia (see page 21) or a member of the UK Institute and Faculty. You do not need to be a member of a UK body if you are a member of the Australian Institute.

You will be required to purchase the course material from ActED (www.acted.com.au) for around $300. You are also required to register for the exam before the due date. The exam registration fee varies according to the value of the Australian dollar but is likely to be in the vicinity of $500. The examinations are held twice a year in April and September at a venue.
organised by the Institute of Actuaries of Australia in major capital cities. More information is available from the following links:

Course material is available from:

ActEd Australasia
Suite 302B, Level 3
16 – 20 Barrack Street
Sydney NSW 2000
Tel: (02) 9262 1601
Fax: (02) 9262 1621
website: http://www.acted.com.au

**What is the preferred method of resitting subjects?**

Resitting subjects through the University provides you with more support via lectures, tutorials and peer assistance. However, it must be managed carefully to avoid course overload. The Centre will not automatically permit a student to enrol for exemption purposes only, especially in the honours year. Resitting subjects through the UK Institute and Faculty of Actuaries may be better financially and may be considered more flexible with two opportunities each year to resit exams. Note, however, that exam dates are likely to be during semester and will disrupt your university studies.

**When should I resit subjects?**

The time when you resit subjects will depend on your individual circumstances and how you are progressing through your BCom.

We do not encourage you to resit exams while you are completing your third year or honours year at University. The third year of Actuarial Studies is a tough year, and you would be well advised not to try to pick up any exemption subjects that you miss during second or third year until at least the following year. Doing too many subjects (including resit subjects) may ultimately cause you to miss more exemptions than if you had had a lighter study load.

You may be able to resit some second year exemption subjects via the UK examinations before you commence your third year.

Remember that you are at the University for a degree and it may be best for you to secure this before pursuing the professional qualification.

**How do I receive my exemptions?**

On completion of your degree, you should send two standard letters to the Centre. The first should set out details of which exemptions you believe you have achieved. The second should be addressed to the IAAust, but sent to the Centre for endorsement. These standard letters can be downloaded from the Centre’s website. Note that the Centre has produced Exemption Lists for subjects taught within the Centre, and these should be quoted in your application. These lists are available on the Centre’s website.

You must pay the appropriate exemption fees to the IAAust, and must take up exemptions within two years of them being offered by the Institute, otherwise the offer will lapse. You can wait until graduating before applying for exemptions.

If you wish to receive exemptions from other actuarial professional bodies, you need to write to them directly.
The Institute of Actuaries of Australia

The Institute of Actuaries of Australia is the body that governs the conduct of the actuarial profession in Australia. Amongst other things, it sets professional standards and a code of conduct by which all actuaries must abide, as well as setting the syllabus for qualification as an actuary.

Who can join the Institute of Actuaries of Australia?

Anyone undertaking the actuarial program can join the Institute of Actuaries of Australia (IAAust). Your membership entitles you to such items as the IAAust journal, copies of papers that members present at sessional meetings, the Actuary Australia magazine and employment opportunities that are distributed via the Institute.

When should I join the IAAust?

At the end of second year, students will have an idea of their prospects of successfully completing a professional actuarial qualification. We would suggest, therefore, that you delay until your third or honours year at University a decision about joining the IAAust. There are two advantages in joining the IAAust as a student.

Firstly, the joining fee and annual subscription are less if you join the IAAust as a full time student than if you wait until you finish your degree.

Secondly, and more importantly, joining the IAAust gives you access to the regular notices of employment opportunities that are distributed to members of the Institute.

How do I join the IAAust?

To join the IAAust, you should contact Fatima Dawood at IAAust office, who will send you an application form. Fatima’s contact details are:

Fatima Dawood  
Institute of Actuaries of Australia  
Level 7, Challis House  
4 Martin Place  
Sydney NSW 2000  
Tel: 02 9233 3466  
Fax: 02 9233 3446  
email: Fatima.dawood@actuaries.asn.au

Further Information

Further information about the Institute of Actuaries of Australia can be found at: www.actuaries.asn.au.

You can contact the Institute in Sydney by email at: Actuaries@actuaries.asn.au

Further information about the Institute of Actuaries and the Faculty of Actuaries can be found at: www.actuaries.org.uk

All questions regarding these professional bodies, for example regarding exam dates, should be directed to the professional body and not to the Centre.
7. Staff of the Centre for Actuarial Studies

Contact Details

The Centre for Actuarial Studies is located on the 5th Floor of the Arts West Building at the University of Melbourne.

General enquiries: Telephone: (03) 8344 5289
Facsimile: (03) 8344 6899

Postal Address:
The Centre for Actuarial Studies
Department of Economics
The University of Melbourne
Vic 3010

The Internet site for the Centre for Actuarial Studies can be found at:
http://www.economics.unimelb.edu.au/Act/

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1st year  Dr Ping Chen
2nd year  Professor Mark Joshi
3rd year  Professor Mark Joshi (1st semester) and Dr Xueyuan Wu (2nd semester)
Honours year  Associate Professor Shuanming Li

Should you have any questions regarding your study, please contact your director of study in the first instance, rather than the Director of the Centre.