

UTM-STA219 F10

(Nov 26, 2010 version, please monitor www.utstat.utoronto.ca/sharp for changes)

<i>Lecture (first is Sep 13, 2010)</i>	M 06:00-09:00 pm	UTM-SE3131	
<i>Tutorial (first is Sep 20, 2010)</i>	M 05:00-06:00 pm	UTM-SE3131	
<i>Instructor and office hours</i> Keith Sharp PhD FSA FCIA CFA sharp@utstat.utoronto.ca http://utstat.utoronto.ca/sharp	M 09:00-10:00 am M 04:00-05:00 pm T 11:30-12:30 pm T 04:00-05:00 pm R 11:30-12:30 pm	UTSG-SS6007 UTM -South2110T UTSC- SW632 UTSG-SS6007 UTSC-SW632	
<i>TA:</i> Yi Su yisu@utstat.toronto.edu			
<i>Topic Coverage</i>	<i>Lecture and test date 2010</i>		
L01: Sec 01: Effective rates	Sep 13		
L02: Sec 02: Effective rates	Sep 13		
L03: Sec 02; Nominal rates, credit cards	Sep 20		
L04: Sec 03: Constant force of int, inflation	Sep 20		
L05: Sec 04: Annuity	Sep 27		
L06: Sec 04; Annuity (cont)	Sep 27		
TERM TEST 1 in usual tute room	Oct 04 5:00 pm		
L07: Sec 05: Annuity at any time point	Oct 04 6:00 pm		
THANKSGIVING	Oct 11		
L08: Sec 06: Different int and payt periods	Oct 18		
L09: Sec 07: Geometric prog of payments	Oct 18		
L10: Sec 09: Amortization of loan	Oct 25		
L11: Sec 09: Amortiz of loan, mortgage	Oct 25		
TERM TEST 2 in usual tute room	Nov 01 5:00pm		
L12: Sec 11: Bond valuation	Nov 01 6:00pm		
L13: Sec 11: Bond valuation (cont)	Nov 08		
L14: Sec 13: Return on fund	Nov 08		
L15: Sec 13: Return on fund (cont)	Nov 15		
L16: Exam run-up	Nov 15		
L17: Exam run-up	Nov 22		
L00: Exam run-up	Nov 22		
L00: Exam run-up	Nov 29		
L00: Exam run-up	Nov 29		

Professional Society of Actuaries and CFA Exams

It is important to note that this course does not count as an ACT240 credit in the UTSG actuarial science programme. Those who nonetheless find themselves interested in becoming actuaries are advised to attempt the professional SoA FM Exam though you will need to do maybe 200 hours self-study for it. No disgrace if you fail-in fact you can keep it secret if you wish (I took some SoA exams in Buffalo NY just in case I failed one!). Applications and details at www.soa.org. To qualify as Fellow, Society of Actuaries takes years of tough self-study and the actuarial job market cannot handle the large numbers graduating from Act Sci programmes in Canada. The Chartered Financial Analyst (CFA) exams are an easier (but not easy) option, use the material from this course and have a fairly similar examination format: see www.utstat.utoronto.ca/sharp and www.cfainstitute.org.

Text and Web Page

Prof Broverman's Fall 2008 or later manual for Exam FM, to be made available to students for about \$40 (not in bookstore). You are expected to read and understand the descriptive portions of the manual yourself. Please monitor <http://www.utstat.utoronto.ca/sharp> and the Blackboard portal: assignments, documents etc.

Course Objective:

This course will be taught and graded in a way that takes more into account the needs of non-actuarial students than does the corresponding downtown actuarial specialist course ACT240. You are expected to read and understand the descriptive portions of the text yourself. Time is spent partly on practical situation affecting most adults: credit card interest, amortization of loans, mortgage availability etc.

Calculator

Please bring a non-programmable calculator with y^x key to all tutorials, lectures and exams. The TI BAI Plus financial calculator is discussed in the Exam FM manual. It is an optional purchase for this course since test and exam questions in this course will avoid situations (eg some calculations of interest rate) where a financial calculator is essential.

Participation lasers:

Please leave your participation laser in one of the piles at the end of every lecture. I buy them personally from dollar stores in the hope that you will find the easy participation valuable. In-class questions are encouraged too!

Exams

As for the professional exams, care will be taken to ensure the privacy of your answers in the course term tests and exams by use of assigned seating, when permitted by university authorities, and by the provision of several versions of tests and final, with different question orders. At least 40% of the marks on the tests and the December (not necessarily the deferred) final exam will be from assignments (solutions posted on web) with small changes such as to the interest rate. The best preparation for this type of exam is 'timed problems, problems, problems'. Prof Broverman's FM manual has many exam-type questions. You will wish to do all the relevant assignment questions before each test and final exam, and preferably many others as well. There will be a few (likely between five and ten) pop-quizzes in lecture during the term, not announced in advance, usually on the current lecture material.

Marking Scheme:

Lecture: pop quizzes	Worst two disregarded, so can miss two without penalty. OK to cooperate though not to directly copy answers. Graded 7-10.	5%
Tutorials	TA bases on weekly quizzes on one assignment question (assignments are not submitted). Don't cooperate or copy. Worst two disregarded, so can miss two without penalty. Graded 7-10.	5%
Test 1	Multiple choice	20%
Test 2	Multiple choice, concentrates on material since test 1	20%
Final	Multiple choice, on entire term, during final exam period	50%

Weightings will not be changed, either for the whole class or (for fairness to the whole class) for any individuals. Tests and exams will be entirely multiple choice.. For the second term test, only material since the first term test will be covered. Your worst two lecture pop-quiz grades (eg zero if you miss two pop quizzes) will be disregarded. If you miss more than two, and claim medical reasons, you will need to show medical certificates for all missed pop quizzes, including the 'giftie' first two. Same for the in-tutorial quizzes. These weightings will not be changed, either for the whole class or (for fairness to the whole class) for any individuals. The tests and final exam will be entirely in multiple choice format.

Medical certificates:

University policy is very strictly interpreted and very strictly enforced. Medical certificates must be signed by an Ontario-registered MD, with registration number and phone number, and the date of certificate relative to claimed sickness must be within the limit imposed by University rules. It is expected that each student with accepted documentation will be required to take a rigorous make-up test at a chalkboard. If documentation is not provided or is not accepted, your test mark for the missed test will be zero. Please remember also the Arts and Sciences rule (from F 2010) that '*students who have been absent from class for medical or other unavoidable reasons AND require an accommodation for missed or late term work must record their absence using the ROSI Absence Declaration*'; this Declaration is a necessary but not sufficient requirement for absences in this course.

Suspected errors or omissions in this outline? Please tell Keith Sharp, sharp@utstat.utoronto.ca . GOOD LUCK!