



Subject A401

Business Awareness Module

Syllabus

Aim

The aim of the Business Awareness Module is to provide candidates with an understanding of:

- the business environment they will be working in,
- how to tackle business related problems,
- the basic legal principles that are relevant to actuarial work,
- their professional responsibilities ,
- the need for lifelong learning.

Links to other subjects

The Business Awareness Module has links to many other subjects. The knowledge gained should enable candidates to provide more rounded business related solutions when working on later subjects and help them in the development of their practical work-based skills.

Objectives

On completion of this subject the candidate will be able to:

(i) Specify, describe or discuss a range of topics relevant to working as an actuary in the financial services industry.

1. Specify the type of skills that must be acquired to become a competent practising actuary in the financial services industry.
2. List the aspects of an employing company about which knowledge should be obtained.
3. Specify those aspects of the financial services industry about which knowledge should be obtained and maintained.
4. Describe why it is important to know how other industries affect the financial services industry.
5. State those aspects of the global economy and politics about which some knowledge should be gained and maintained.
6. Describe the activities of the Actuarial Profession.
7. Discuss the issues and challenges faced currently by each main practice area, namely life, pensions, general, healthcare, finance, investment and enterprise risk management.

(ii) Develop an approach to strategic thinking.

1. Describe what a strategy is and how it relates to competitive advantage and competitive positioning.
2. Develop a process for strategic decision making.
3. Define a PEST analysis (Political/legislative, Economic, Societal, Technological) and describe how to carry one out.
4. Describe how to identify business and consumer needs, and how to prioritise them.
5. Describe the industry value chain and how to apply it.
6. Discuss how to combat competitive forces.
7. Learn how to communicate strategic messages to gain buy-in and attention, selecting appropriate structures to present different types of information.
8. Discuss how a company's culture affects decision making.
9. Discuss how a company's structure affects decision making.
10. Analyse case studies and present results of the analyses.

(iii) Develop an approach to business decision making.

1. Discuss the importance of a clear mission statement.
2. Describe the importance of a clear business strategy.
3. Describe the benefits of teamwork.
4. Describe the advantages of time management.
5. Discuss the importance of extracting relevant information from a large volume of data.
6. Describe the interaction of various company functions.
7. Discuss the value of different people skills.
8. Assess his/her ability to influence others.
9. Discuss the advantages of communicating clearly.
10. Describe how to develop a decision making process.

11. Discuss attitude to risk in decision making.
12. Discuss how competition can affect a market.
13. Discuss commercial awareness.

(iv) Describe and understand the basic legal principles that are relevant to the work of an actuary, and their practical implications.

1. Appreciate the sources of South African Law.
2. Understand the requirements for a valid contract (overview only).
3. Identify when the courts will imply terms into contracts.
4. Understand the extent to which liability can be excluded.
5. Make simple assessments of likely contractual remedies.
6. Calculate a basic award of damages.
7. Identify the factors which must be established before liability for professional negligence can arise in the law of delict.
8. Understand the interplay between contractual and delictual liability.
9. Understand the concept of agency and list the types of authority an agent might possess.
10. Appreciate the concepts of separate legal personality and limited liability.
11. Understand and at a basic level be able to explain the role of directors and shareholders within a company.
12. Appreciate the duties imposed on directors by statute and the common law.
13. At a basic level be able to explain the nature of partnership and the duties owed by partners to insiders and third parties.

(v) Describe or specify important aspects of professionalism and ethics.

1. State important characteristics of a profession and its advantages to interested parties.
2. Demonstrate knowledge of the Professional Code of Conduct which binds all members of the Actuarial Society.
3. List the measures the Actuarial Society applies to self-regulate itself.
4. Describe the Actuarial Society's corporate governance structure.

5. Analyse appropriate case studies relating to professionalism and ethics, and present results of the analyses.

End of Syllabus