

Subject CP3

Corrections to 2023 study material

0 Introduction

This document contains details of any errors and ambiguities that have been brought to our attention in the Subject CP3 study materials for the 2023 exams. We will incorporate these changes into the study material each year. We are always happy to receive feedback from students, particularly details concerning any errors, contradictions or unclear statements in the courses. If you have any such comments on this course please email them to **CP3@bpp.com**.

You may also find it useful to refer to the Subject CP3 threads on the ActEd Discussion Forum. (You can reach the Forums by clicking on the 'Discussion Forums' button at the top of the ActEd homepage, or by going to **www.acted.co.uk/forums/**.)

This document was last updated on **15 November 2022**.

1 Course Notes

No corrections at the time this update was published.

2 Assignments

Assignment X2 Solutions

Solutions to question X2.1

(added on 15 November 2022)

This correction only applies to those X Assignments supplied early in the session (*ie* up to the middle of November 2022).

The marking schedules and specimen solutions (sections 1.4 onwards) correctly reflect the question asked. However, the introductory sections (sections 1.1, 1.2 and 1.3) incorrectly reference provision of product overviews.

Replacement pages have been provided at the end of this document.

3 Mock exams

No corrections at the time this update was published.

CP3 Assignment X2 Solution

1.1 The Who

The audience is:

- the senior management team ...
- which will include a range of individuals from different areas of the company with different levels of technical expertise ...
- ... of a financial services company.

1.2 The Why

Our over-arching objective in communicating is to provide information that will help the senior management team develop a strategy for the three products mentioned in the question.

Specifically, the Managing Director has asked us to include:

1. a summary of product performance (sales and profitability) to date
2. a discussion of product potential, given the various changes occurring in the market.

Our objective does *not* extend to providing opinions or recommendations on potential strategies.

1.3 The What – Specimen Storyboard

There are a number of options as to how our communication might be structured. Two of them are as follows:

Option 1: The ‘scenes’ in the storyboard could flow directly from our two main objectives in communicating (‘the why’, above). Each scene would then refer to all three products.

Option 2: Alternatively, the scenes could correspond to the products. In each scene the two main objectives would then be addressed in turn.

Option 1 – storyboard outline

Scenes	Themes
0. Introduction	
1. Product performance	<ul style="list-style-type: none"> • F4L-Health • F4L-Retirement • F4L-Home
2. Product potential	<ul style="list-style-type: none"> • F4L-Health • F4L-Retirement • F4L-Home
3. Summary	

Option 2 – storyboard outline

Scenes	Themes
0. Introduction	
1. F4L-Health	<ul style="list-style-type: none"> • Product performance • Product potential
2. F4L-Retirement	<ul style="list-style-type: none"> • Product performance • Product potential
3. F4L-Home	<ul style="list-style-type: none"> • Product performance • Product potential
4. Summary	

Note that under both options we've included a summary at the end, rather than an 'executive' summary at the start. Including the summary at the end is justifiable given that members of the management team will want and/or need to read through *all* of the information before discussing strategy.

Of these two alternatives, the second option is the more appropriate choice. This is because it will make it easier for the recipients to follow how the past performance information links to the statements on future potential for each product in turn.

Developing this second option might lead to the following fuller storyboard.

Storyboard - completed

Scenes	Themes
0. Introduction	<ul style="list-style-type: none"> • Include signposting to make clear how the report is structured
1. F4L-Health	<ul style="list-style-type: none"> • Product performance: falling trend in sales due to contracting market, market share increased, large contributor (sales and profit), profit margin 42% • Product potential: strong due to ..., expect price increase to raise revenue, demand may fall if ...
2. F4L-Retirement	<ul style="list-style-type: none"> • Product performance: sales increased due to expanding market, market share stable, significant contributor to sales, less so for profit, profit margin 17% • Product potential: heavy investment, fits with corporate image, demand expected to rise faster than incomes, may rise due to ..., price increases would be expected to depress revenues, exposed if competitors' cut prices
3. F4L-Home	<ul style="list-style-type: none"> • Product performance: significant launch investment, rapid sales increase due to market expansion & market share, smallest contributor of three, profit margin 23% • Product potential: price increase would be expected to raise revenue due to strong brand, demand expected to grow due to ..., expensive to promote
4. Summary	Market position and scope for increasing prices, for each of the three products.

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