



YASHWANTRAO CHAVAN MAHARASHTRA OPEN UNIVERSITY, NASIK

HOME ASSIGNMENT (2016-17)

V46 - MSAS 2015 CGPA Semester 4

Instructions for the Students :

1. All Questions are compulsory.
2. Write every question's answer on separate page.
3. Use of Scientific Calculator is allowed.
4. Use of Actuarial Tables is permissible.

S14041 (Asset and Liability Management - I)

- Q1 What is the "actuarial" aspect in the actuarial control cycle? [5]
- Q2 List the stakeholders concerned with environmental issues and the actions they may take as a result. [5]
- Q3 State two distinct roles reinsurance serves in the management of capital of a product provider. Explain them in detail. [5]
- Q4 Give some suggestions as to how to maintain stable relationships with external suppliers on a project. [5]
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S14042 (Asset and Liability Management - II)

- Q1 What is running yield in case of (i) property investment, (ii) equity investment? Compare these two yields. [5]
- Q2 Discuss the disadvantages of indirect investment overseas via domestic companies with overseas exposure as opposed to direct investment overseas. [5]
- Q3 (a) Why does selling Treasury bills increase short-term interest rates? [1]
(b) Why might selling Treasury bills cause bond yields to rise? [1]
(c) Why does printing money lower (short-term interest) rates? [1]
(d) Why does printing money increase expectations of inflation? [1]
(e) Why might printing money cause bond yields to rise? [1]
- Q4 Devise a checklist that a middle-aged individual investor could use in order to decide how to invest excess income (*ie* basic salary in excess of expenditure) and/or a lump sum (*eg* an inheritance). [5]
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S14043 (Asset and Liability Management - III)

- Q1 Make a list of the assumptions that would be needed to model a pension scheme that includes both individuals who have an entitlement to receive a benefit in the future and current pensioners. Categorise these assumptions as demographic or economic. [5]
- Q2 Other than determining the expense loading for premiums, for what other purposes do expenses need to be allocated? [5]
- Q3 Describe control measures that could be implemented in an office to reduce the risk of fire. How does this system achieve the above bulleted aims of risk control? [5]
- Q4 You are looking at the ratio of commission to premium income in an insurer's accounts. You see that the value of this ratio is 20% lower than it was for this insurer in the previous year's accounts. Why might this reduction in the ratio have occurred? [5]
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