

# Fall 2016 – FM 2555A Midterm Exam 1

## Rules & Coverage

### YOU MUST ADHERE TO THE FOLLOWING RULES DURING THE EXAM:

1. Only non-programmable calculators that do not make any sounds are permitted in the exam. *You are NOT allowed to borrow calculators from your seatmates. The invigilators and instructor do NOT have calculators to lend you in case you forget to bring one or you have a malfunctioned one; so bring an extra functioning calculator and batteries (if applicable). No laptops are allowed whilst taking the exam.*
2. In the interest of fairness, (i) please DO NOT open the questionnaire until you are told to do so. You may fill out the student's information section on the front cover of either test booklet or questionnaire whilst waiting for the signal to begin and (ii) as soon as the invigilator announces "time is up and stop writing", you should drop your pen/pencil, must stop writing and remain in your seat until all the exam papers are collected. ***Ignoring these important instructions will have dire consequences (including the invalidation of your exam paper and a mark of zero in the midterm).***
3. As a courtesy to your classmates, PLEASE turn-off all mobile phones, i-phones, i-pads, Blackberries, pagers and other electronic communication devices during the entire exam period.
4. For the purpose of identification, be ready to show your UWO ID. Put it on top of your desk so that the invigilator will no longer trouble you whilst you are writing the exam. You must also sign the Attendance Sheet.
5. You will write directly on the questionnaire. The space provided is deemed sufficient for you to provide a well-justified solution including the necessary calculations. However, if you need more space, you can use the back page of the questionnaire. You will also be given 2 blank sheets as scrap papers.

### EXAM COVERAGE AND GUIDELINES:

6. The first midterm will be on Tuesday, 18 October 2016, 19:00-21:00 HRS at **HSB**. Seat assignments will be in accordance with the following:  
**Last names beginning with A to K: HSB 236**  
**Last names beginning with L to Z: HSB 240**
7. The first midterm will cover all materials given in the lecture from the first day of classes up to Chapter 4.
8. In order to cut down the time you need to study the materials specified in #7, it is recommended that you concentrate on the (i) lecture notes and slide presentations given in class, (ii) learning materials posted in the course website and (iii) solutions to both practice and required-for-submission questions in the first assignment covering Chapters 1-3, and the Chapter 4 practice exercises.
9. **MULTIPLE-CHOICE EXAM FORMAT WILL NOT BE ADOPTED IN THIS COURSE.** You may be asked about the definition of a term; unless specifically stated otherwise, don't waste your time giving an example or illustration as definitions are precise statements.

You may also be asked a few recall-items questions (i.e., enumeration), especially if these were emphasised by the instructor in the class. For example, *what are the two financing decisions that a financial manager must make in a corporation (or corporate-finance setting)?*

You can expect that certain exam questions will require you to write a paragraph or two. Don't ramble. Organise your thoughts first and then write succinctly and legibly. The mark appropriated for each question will be shown after each question; so, use this as your guide in case you are wondering about the amount of explanation needed.

10. You will be asked to perform certain calculations in some of the exam problems. Just like in your assignment, your mark for this type of questions will depend on the logical presentation and clarity of your solution. DO NOT assume that markers can simply guess what you mean. Markers are NOT mind readers – write down all the necessary steps and any further assumptions (if applicable). No credit will be given for a final solution (even if it is correct) without a valid justification or explanation.
11. It is also possible to have a few multiple choice or true/false questions in this course to test your understanding of concepts. Usually, for these types of questions, no explanations are needed. If this is the case, it will clearly be indicated in the instruction.
12. **N.B.** The instructor does not provide previous year's sample exams or additional practice questions. Whilst the level of exam difficulty (or easiness as the case may be) is ensured to remain the same, the coverage and format of the exam may vary from year to year. This is due to several changes in the course incorporated each year to reflect the requirements of the Canadian Institute of Actuaries and departmental curriculum revisions/recommendations.

The materials in the lectures, summary notes and assignment questions are deemed adequate for your exam preparation.

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