



Institute
and Faculty
of Actuaries

Subject CB3 Business Management

Syllabus

Aim

The aim of the Business Management practical exam is to provide candidates with an understanding of:

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

Links to other subjects

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

- (ii) Develop an approach to business decision making.
1. List the aspects of an employing company about which knowledge should be obtained.
 2. Discuss the importance of a clear mission statement.
 3. Describe the importance of a clear business strategy.
 4. Describe the benefits of teamwork.
 5. Describe the advantages of time management
 6. Discuss the importance of extracting relevant information from a large volume of data.
 7. Discuss the value of different people skills.
 8. Assess his/her ability to influence others.
 9. Discuss the advantages of communicating clearly.
 10. Discuss attitude to risk in decision making.
 11. Discuss how competition can affect a market.

Subject CB3 – Business Management

- (iii) 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 English law and how Scottish law may differ (overview only).
 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. Understand the concept of a trust and the duties of trustees.
 8. Understand the concept of agency and list the types of authority an agent might possess.
 9. Appreciate the concepts of separate legal personality and limited liability.
 10. Understand and at a basic level be able to explain the role of directors and shareholders within a company.
 11. Appreciate the duties imposed on directors by statute, common law and equity.
 12. Understand the basic concepts of the legal system with respect to mergers and acquisitions.
 13. Appreciate the concepts of data protection law.
 14. Understand the concepts of the law in relation to intellectual property rights.

END OF SYLLABUS