

Exam Tips for 1/P:

Advice from Siegfried Anyomi

Reflecting on all the actuarial exams I have cleared (Exam 1/P, Exam 2/FM, Exam 4/C and CAS Exam ST), the exams test on the intuitive understanding of the concepts and its practical applications. The difficulty level of the exams breaks you down on the exam day if you approached it from formulae cramming and usage popularly called 'plug and chug'.

My technique is to aim for perfection but the goal is passing. I took and passed Exam 1/P in July 2011. I used the Actex Study Manual (2009) with some extra reading from a free text book called Probability Course for the Actuaries, A Preparation for Exam P/1 by Marcel Finan.

Short Notes

I made sure to compile formulas to remember particularly the distributions, their means and variances and moment generating functions. I also made notes of concepts I thought were important and likely to be forgotten. These notes were very helpful for my final revision.

Practice Tests

I tried to sit for three hours and gave my practice exams. I did all eight practice exams provided by the Actex study manual and the four free TIA practice exams. I averaged a score of twenty-two in all my Actex practice exams and about nineteen for the TIA exams. I have heard beautiful stories about the coaching actuaries' ADAPT for Exam 1/P but I never tried it.

Strategies and Shortcuts

1. I used the BA 2 Plus calculator for this exam but I would highly suggest one gets the TI 30XS Multiview calculator for this exam. The 'Stats' Functions are easier to use. One can also do messy algebra using the "table function".
2. Understand the Gamma Function!!! There is a 'Gamma' shortcut which can be carefully derived upon manipulation. It is also right there in the ACTEX manual and I have seen TIA resources use it a lot in their computations. I always have the joy to rewrite any ' e ' function (with a negative exponent) I saw to behave like the gamma distribution then quickly apply the 'Gamma Shortcut'. This idea can save a ton of time on the bivariate portion of the test. See SOA Sample question 109.

3. Understand the memoryless property of the Exponential distribution. This is very important when it comes to handling deductibles without policy limits.
4. Knowing the density function, distribution, mean, and second moment of the single parameter Pareto can be very helpful. See SOA sample questions 76, 71, 61, 59, 53, 38
5. Recognizing a Beta distribution. See SOA sample question 33 is a generalized beta. SOA sample question 36 has $f(y)$ to be beta and SOA 40, SOA 104, SOA 125 have $f(x)$ being beta. Most bivariate distributions can be partitioned into different distributions due to independence concept. Then one will quickly recognize these forms of distributions and use it especially where there are conditioning effects, the “Double Expectation” formula comes handy if one can recognize the name of the distribution and use its formula for means and variances.

Above all things, there's one trick/shortcut that stands tall. You Must Be So Well Prepared for the “Big Day”.