

Solution to Task 1 - Paper C

	A	B	C	D	E	F
1	Full Cover Insurance					
2						
3	Confidential Report 1996					
4						
5					Claim	Gross
6	Category	Type	Value	Premium	Provision	Profit
7	1	Private Property	£490.60	£49.06	£47.80	£1.26
8	2	Commercial Property	£762.40	£76.24	£62.20	£14.04
9	3	Private Cars	£124.70	£12.47	£9.80	£2.67
10	4	Commercial Fleet	£184.20	£18.42	£13.20	£5.22
11	5	Livestock	£78.50	£7.85	£6.40	£1.45
12						
13			Total Claim Provision:		£139.40	
14			Total Gross Profit:			£24.64
15						
16	Name:	Student Name				
17	Exam No:	Examination Number				

Solution to Task 2 - Paper C

	A	D	E	F	G	H	I
5		Premium		Outstanding	Average	Claim	Gross
6	Category	Rate	Premium	Claims	Claim	Provision	Profit
7	1	14%	£68.68	1.36	£44.64	£60.72	£7.97
8	2	14%	£106.74	1.04	£83.25	£86.58	£20.15
9	3	14%	£17.46	0.71	£19.55	£13.88	£3.58
10	4	14%	£25.79	1.12	£18.57	£20.80	£4.99
11	5	18%	£14.13	0.68	£17.10	£11.63	£2.50
12							
13				Total Claim Provision:		£193.61	
14				Total Gross Profit:			£39.19
15							
16	Category:	1	2	3	4	5	
17	Avg Claim:	65%	78%	112%	72%	121%	
18							
19	Name:	Student Name					
20	Exam No:	Examination Number					

Solution to Task 3 [(i) Values] - Paper C

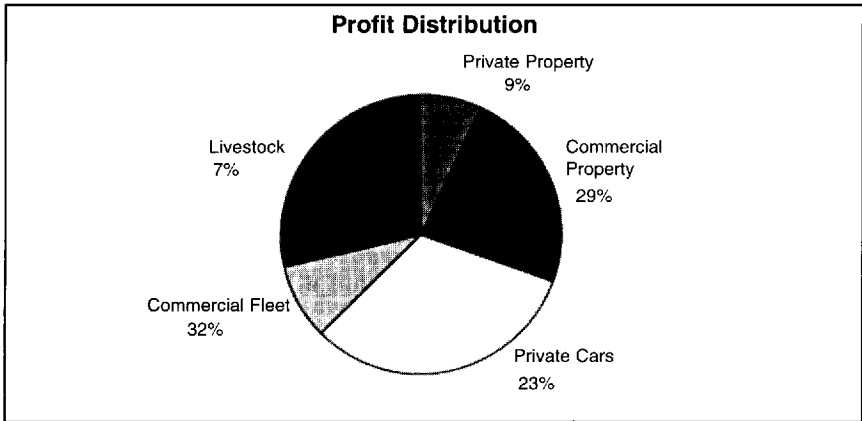
	A	D	E	F	G	K	I	J	K
1	Full Cover Insurance								
2									
3	Confidential Report 1996								
4									
5		Premium		Outstanding	Average	Claim	Fixed		
6	Category	Rate	Premium	Claims	Claim	Provision	Costs	Comm.	Gross
7	5	18%	£14.13	0.68	£17.10	£11.63	£1.13	£0.71	£0.67
8	3	14%	£17.46	0.71	£19.55	£13.88	£0.51	£0.87	£2.19
9	4	14%	£25.79	1.12	£18.57	£20.80	£0.72	£1.29	£2.98
10	1	14%	£68.68	1.36	£44.64	£60.72	£0.25	£6.87	£0.85
11	2	14%	£106.74	1.04	£83.25	£86.58	£1.44	£16.01	£2.70
12									
13				Total Claim Provision:		£193.61			
14							Total Gross Profit:		£9.39
15									
16	Fixed Assets:	£24.22				Profit after Depreciation:			£7.95
17	Depreciation:	£1.45						Dividend:	£0.41
18									
19	Category:	1	2	3	4	5			
20	Avg Claim:	65%	78%	112%	72%	121%			
21									
22	Name:	Student Name							
23	Exam No:	Examination Number							

Solution to Task 3 [(ii) Formula] - Paper C

	A	D	E	F	G	H
5		Premium		Outstanding	Average	Claim
6	Category	Rate	Premium	Claims	Claim	Provision
7	5	=IF(A7=5,18%,14%)	=C7*D7	0.68	=HLOOKUP(A7,\$D\$19:\$H\$20,2)*E7	=F7*G7
8	3	=IF(A8=5,18%,14%)	=C8*D8	0.71	=HLOOKUP(A8,\$D\$19:\$H\$20,2)*E8	=F8*G8
9	4	=IF(A9=5,18%,14%)	=C9*D9	1.12	=HLOOKUP(A9,\$D\$19:\$H\$20,2)*E9	=F9*G9
10	1	=IF(A10=5,18%,14%)	=C10*D10	1.36	=HLOOKUP(A10,\$D\$19:\$H\$20,2)*E10	=F10*G10
11	2	=IF(A11=5,18%,14%)	=C11*D11	1.04	=HLOOKUP(A11,\$D\$19:\$H\$20,2)*E11	=F11*G11
12						
13					Total Claim Provision:	=SUM(H7:H12)
14						
15						
16	Fixed Assets:	24.22				
17	Depreciation:	=SLN(D16,2.5,15)				

	I	J	K
5	Fixed		Gross
6	Costs	Comm.	Profit
7	1.13	=IF(E7>70,(E7*15%),(IF(E7>30,(E7*10%),(E7*5%))))	=E7-H7-I7-J7
8	0.51	=IF(E8>70,(E8*15%),(IF(E8>30,(E8*10%),(E8*5%))))	=E8-H8-I8-J8
9	0.72	=IF(E9>70,(E9*15%),(IF(E9>30,(E9*10%),(E9*5%))))	=E9-H9-I9-J9
10	0.25	=IF(E10>70,(E10*15%),(IF(E10>30,(E10*10%),(E10*5%))))	=E10-H10-I10-J10
11	1.44	=IF(E11>70,(E11*15%),(IF(E11>30,(E11*10%),(E11*5%))))	=E11-H11-I11-J11
12			
13			
14		Total Gross Profit:	=SUM(K7:K13)
15			
16		Profit after Depreciation:	=K14-D17
17		Dividend:	=IF(H13>(K14*25),0,(K7*8%+K9*10%+K11*2%))

Solution to Task 4 - Paper C



OR

