

## Section 1: Modern Corporate Financial Theory

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# Condensed Outline

*For Your Memorizing Pleasure*

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## Practice Problems

This section includes practice essay questions. You should probably not use this section until you have completed a detailed reading of the syllabus (perhaps in October). It is divided into two parts:

### 1. Past SOA Exam Questions and Solutions (Page 2)

I reviewed the past Course 8V exams to determine the ones applicable for this syllabus. The pages in the JAM Study Guide are noted with each question. Also, I included solutions for most of the numerical type problems.

### 2. Essay Problems (Page 27)

These 31 original essay problems are designed to be exam caliber. The pages in the JAM Study Guide are noted with each question. These questions should give you a feel for the style of questions and more importantly the structure of the solutions.

The solutions for the essay questions are presented in a grading outline format. This should help you better view solutions from a grader's perspective. I have been involved with SOA exam committees for over ten years, so I have seen and created many grading outlines. Keep the following concepts in mind when using the grading outlines:

- The total number of points (e.g. 37 on the first question) is arbitrary.
- The question writer will determine how many points are necessary to pass the question (score a 6) and how many are needed to get full credit (score a 10).
- Your overall exam score is approximately a weighted average of your individual question scores, with the weights being the number of points each question is worth.
- More points are given for the main concepts.
- Using shorthand and common abbreviations is acceptable.
- You can get a lot of partial credit in numerical type problems if you *clearly* show your work. Do not just write the answer.