

PGDM / PGDM – IB 2021-23
Managing Customer Wealth
DM / IB- 461
Trimester – 4th , End-Term Examination, September , 2022

Time allowed: 2 hour

Max Marks: 40

Roll No: _____

Note: Please be relevant and brief in your answers.

Section-A

There are 4 questions in this section. Each question carries 05 marks. (Min. 150 words)

A-1. Describe the importance of financial planning for an individual ? List out the inputs / informations which are required for financial planning ? (CO 1)

OR

A-1. Explain the importance of parameters which one must look in to while choosing an investment instrument for his/her financial planning . (CO 1)

A-2. Describe in brief the features of stocks, bonds & mutual funds. How do they provide return on investment ? (CO 2)

OR

A-2. Describe the role of domestic financial institutions (DFIs) in capital market in India. List 4 top DFIs with their AUM size. (CO 2)

A-3 Illustrate the five different kinds of risks which an investors face in different investment options . Map two investment options each which are expose to these identified risks. (CO 3)

OR

A-3. Demonstrate why should insurance be an essential component of financial planning for an individual ? What are the three broad categories of life insurance. (CO 3)

A-4 How is the “estate” determined for an individual ? What are the different options available to an individual to do his / her estate planning ? (CO 3)

OR

A-4. Applying the current taxation rules show as to how short term & long term capital gain differs in case of stocks & bonds. (CO 3)

Section B

Case Study

20 Marks

(CO 4)

Mr. Harish , aged 35 is an software engineer working with an MNC in Bengaluru. He has a CTC of around 30 lakhs. His wife Neha, aged 28 is a faculty in a private university there & has a salary package of around Rs one lakhs per month. Both of them have the benefit of PF & Gratuity from their employers. They are staying in a rented apartment paying a monthly rent of Rs 35k per month. Their regular household expense is around Rs 40k pm. Mr. Harish parent are staying in their native place in Tamilnadu & they are financially independent. His father is a Govt official having decent salary & mother is a home maker. Same is the case with the parent of Ms. Neha.

The couple is expecting their first child soon. Both of them are covered under their employers group health policies for Rs 10 lakh. The couple got married 4 years back & have just 10 lakhs in their saving. Earlier Mr. Harish was taking care of the educational requirement of two of his sibling & hence could not save more. Going for a month long leisure trip to Europe is a dream for them which they wish to do in next 3 years.

The couple is planning to settle in Bengaluru itself & are looking for a 2BHK apartment with a maximum budget of Rs 75lakh. They have a car with EMI obligation of Rs 14k.

Both plan to retire at age 60.

Assuming that they do not have any financial planning at this stage , pl help them in :

1. Identifying their life stage related financial requirement & expected cash flow (10)
2. Propose with reasoning a financial planning package to take care of their life requirements (10)

Note : Pl use your assumption of salary escalation , inflation & investment return. Use of scientific calculator is allowed.

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