

[Time: 2 Hours]

[Marks: 60]

- N.B:** 1. All questions are compulsory.
 2. Figures to the right indicate full marks.
 3. All working notes should form part of your answer.
 4. Use of simple calculator is allowed.

Q.1 Explain the term Personal Financial Planning and elaborate on its benefits. **15**

OR

Q.1 A] Describe the term tax planning and discuss its benefits. **8**

B] Anjali made an investment of Rs 10,000 that grows to Rs 14,641 in 4 years.
 Calculate Compounded Annual Growth Rate (CAGR). **7**

Q.2 Elaborate on Life Insurance and discuss the various Principles of Insurance. **15**

OR

Q.2 A] Detail the different Income Tax Savings Schemes available. **8**

B] Explain General Insurance and its different types. **7**

Q.3 Explain the concept of retirement planning and detail its various stages. **15**

OR

Q.3 Define Asset Allocation and discuss factors influencing it, along with various strategies. **15**

Q.4 A] Rewrite the entire sentence selecting the most appropriate alternative.

- 1.** A budget helps in _____. **08**
 - a) Increasing debt
 - b) Saving money
 - c) Spending recklessly
 - d) Ignoring financial goals
- 2.** Emergency funds are typically recommended to cover _____ of living expenses.
 - a) 2-3 months
 - b) 6-12 months
 - c) 1-2 weeks
 - d) 1-2 years
- 3.** Compound interest is calculated on _____.
 - a) Initial investment only
 - b) Initial investment and added interest
 - c) Initial investment and annual income
 - d) Initial investment and withdrawals
- 4.** Diversification in investing means _____.
 - a) Putting all eggs in one basket
 - b) Investing in a single stock
 - c) Spreading investments across different assets
 - d) Buying only real estate

5. The purpose of insurance is to _____.
 - a) Eliminate financial risks
 - b) Generate passive income
 - c) Increase debt burden
 - d) None of the above
6. The primary purpose of setting financial goals is _____.
 - a) To never revise them
 - b) To keep track of expenses
 - c) To guide financial decisions
 - d) To spend impulsively
7. A good credit score can help in _____.
 - a) Obtaining favorable loan terms
 - b) Ignoring debt repayment
 - c) Reducing income tax
 - d) None of the above
8. Personal Financial Planning is to be done _____.
 - a. once in lifetime.
 - b. only if required.
 - c. to waste time
 - d. on a continuous basis.

07

B] State whether following statements are True or False:

1. Public Provident Fund (PPF) accounts have a fixed maturity period of 15 years.
2. Investing in National Pension System (NPS) provides tax benefits under Section 80C and Section 80CCD of the Income Tax Act.
3. Term insurance plans provide coverage for a specified period and do not offer any maturity benefits.
4. Equity Linked Savings Scheme (ELSS) mutual funds offer tax benefits under Section 80C of the Income Tax Act.
5. Fixed Deposits (FDs) with a tenure of fewer than 5 years are eligible for tax deductions under Section 80C.
6. Investing in Sukanya Samriddhi Yojana (SSY) is restricted to parents or legal guardians for the benefit of a girl child.
7. Senior Citizens Savings Scheme (SCSS) has a maximum investment limit of ₹15 lakhs per individual.

OR

15

Q.4 Write short notes on (any 3)

1. Retirement Fund
2. Health Insurance
3. Asset allocation strategies
4. Advantages of Credit Card
5. Rights of Insured