

Time: 2 Hours]

[Marks: 60]

Please check whether you have got the right question paper.

- 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. Explain in detail the advantages of Personal Financial Planning. **15**

OR

Q.1 A] Explain the term tax planning. What are the advantages of Tax Planning? **8**

B] Ajay made an investment of ₹ 2000 that grows to ₹ 2500 in 2 years. Calculate Compounded Annual Growth Rate (CAGR). **7**

Q.2 Explain the term Life Insurance? Explain the Principles of Insurance. **15**

OR

Q.2 A] Explain the various Income Tax Savings Scheme. **8**

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

Q.3 What is retirement planning? What are the different stages in retirement planning? **15**

OR

Q.3 What is Asset Allocation and the factors that can affect asset allocation? Also explain the various strategies in asset allocation. **15**

Q.4 A] Rewrite the entire sentence selecting the most appropriate alternative. **08**

1. _____ is the process of thinking about and organizing the activities required to achieve a desired goal.
 - a. Planning
 - b. Analyzing
 - c. Promoting
2. _____ means a forecast of the future receipts and payments.
 - a. Estimate
 - b. Budget
 - c. Valuation
3. Which of the following is not a Principle of Good Financial Planning?
 - a. Habit of Savings
 - b. Preparing Budget
 - c. Sacrificing today's needs for tomorrow's wants.

4. A type of deposit where money is saved on regular basis is called as ____.
 - a. fixed deposit
 - b. recurring deposit
 - c. savings deposit
5. _____ insurance refers to done to cover medical expenses of insured.
 - a. Marine
 - b. Motor
 - c. Health
6. Which risk management technique does self-insurance satisfy?
 - a. Risk reduction
 - b. Risk assumption
 - c. Risk avoidance
7. To be insurable, a risk must have potential losses that are _____.
 - a. Under the control of the insured.
 - b. Centrally located
 - c. predictable
8. Upon the death of the insured, who receives the proceeds of the life insurance policy?
 - a. beneficiaries
 - b. actuaries
 - c. policyholders

B] State whether following statements are True or False:

07

1. Retirement Planning starts after retirement.
2. Net Assets – Net Liabilities = Net Asset
3. Tax evasion means paying taxes which are legally due.
4. Deduction for Interest on Education Loan is dealt in Section 80C.
5. Deduction under Section 24 of the Income Tax Act, 1961 is 25% of the Net Asset Value of the House Property.
6. When a person purchases two or more policies for the same property is called as re - insurance.
7. A Good credit score is essential to get home loan at lower rate of interest.

OR

Q.4 Write short notes on (any 3)

15

1. Time value of money.
 2. Net Worth
 3. Budget
 4. Pre- retirement strategies
 5. Tax Planning.
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