

**ST. JOSEPH'S EVENING COLLEGE (AUTONOMOUS)****IV SEMESTER BBA EXAMINATIONS - APRIL 2019****PERSONAL FINANCIAL PLANNING****Duration: 2.5 Hours****Max. Marks: 70****SECTION - A****Answer any TEN of the following questions.****(10x3=30)**

1. Identify three differences between primary and secondary market
2. Mention any three types of derivatives traded on stock exchanges
3. In the context mutual funds expand the following terms  
(a) NAV (b) ULIP and (c) MIP
4. Compare & contrast (a) Savings account (b) Fixed deposit and (c) Recurring deposit
5. What is personal financial planning?
6. Identify the investment scheme with the help of following info:
  - a. A small deposit scheme that encourages parents to build a fund for the future education and marriage expenses for their female child.
  - b. A method of investing a fixed sum, regularly, in a mutual fund scheme.
  - c. Paid benefit attached to a life insurance policy that covers additional risks
7. Fundamental analysis comprises of economic, industry and company analysis. In which of these components would you place the following:
  - a. Demonetization
  - b. Leadership & Management
  - c. Industrial output
8. What are debt instruments?
9. Classify investors according to risk perception.
10. State 3 avenues of investment for a retired person.
11. Give the meaning of financial goals. Identify any 2 medium term financial goals assuming you are 23 years of age and a bachelor.
12. Differentiate systematic and unsystematic risk.

**SECTION - B****Answer any FOUR of the following questions.****(4x5=20)**

13. Analyze the objectives of investing
14. In the form of a chart present types of mutual funds
15. Briefly explain various types of life insurance policies

16. Summarize the steps in retirement planning
17. Point out 5 merits and demerits of investing in gold
18. Mr. John has deposited a sum of Rs. 10,000 in a bank fixed deposit for four years at an interest rate of 12% p.a. Find out the amount of money he would get as interest every year, if the interest is compounded (a) Annually and (b) Semi-annually.

### SECTION - C

**Answer any TWO of the following questions.**

**(2x10=20)**

19. Laila and Majnu (Age 27 years) married with two kids, Heer (8 years) and Ranjha (5 years). Majnu is a Professor in Guru Cool College earning a monthly salary of Rs. 75,000 and Laila is a Home Maker. Their monthly savings after meeting essential expenses is Rs. 28,000(approx). The following is the summary of their financial goals:

- To buy a house
- Providing for children education (7-10 years)
- Planning for child's wedding (15 - 20 years)
- Take care of old parents
- Planning for retirement

**Task:** As a certified financial planner construct a portfolio showing avenues of investments you would choose and also show the break of allocation of funds. Justify your choice by mathematically proving how the above financial goals would be achieved through financial planning.

20. Explain the principles of life insurance
21. Jet Airways India was once at the forefront of India's rapidly growing market for air travel, but a challenge from budget carriers and surging fuel prices are backing the airline into a corner, shares of the carrier has plunged. India is one of the toughest markets, where airlines are forced to sell tickets at base prices of as low as Rs. 500. Mumbai-based Jet Airways had total debt of Rs 9,430 crore, and cash and equivalents of Rs 320 crore for the year ended March 31, 2018. The carrier needs as much as \$500 million in cash immediately, experts believe.

From the above testimony, answer the following questions

- a. Is the problem in the above case specific to jet airways or is it a problem of aviation industry? [2M]
- b. Present the list of factors you would consider to study Industry analysis of aviation sector [6M]
- c. Advice investors if they should invest in aviation companies now [1M]

22. Explain the steps involved in Financial Planning process.