

SARDAR PATEL UNIVERSITY

BBA (ISM) Vth Semester

2017

Wednesday, 15th November

10:00 A.M. to 12:00 P.M.

Personal Finance-UM05CBBS05

Maximum Marks: 60

Note: Figure in bracket indicates marks of question.

- Q.1 From the following information provided to you, prepare a family cash budget of the Purohit Family for the period starting from 1-1-2017 to 31-12-17. Mr. and Mrs. Purohit are a young couple living in Ajmer. Mr. Purohit is an engineer in a private company and earns a salary of ₹.1,80,000 p.a. after taxes. Mrs. Purohit is a finance manager in a private company. Her salary after taxes is ₹. 1,20,000 p.a. Purohit family's annual expenditure for the period starting from 1-1-16 to 31-12-16 was as follows: [15]

Particular	Amount ₹.	Particular	Amount ₹.
Groceries	30,000	Gas and electricity	36,000
Recreation and Entertainment	6,000	Petrol and Maintenance	7,200
Medical Insurance of Family	4,000	LIC Premium of Mr. Purohit	12,000
Vehicle Loan Repayment	24,000	Home Loan Repayment	96,000
Clothing	12,000		

Additional Information:

- The Purohit family is expecting a dividend income of ₹.2,000 in the month of June 2017.
- In the year 2017, Grocery bill and Gas & Electricity Bill is expected to rise by 5%.
- Mr. Purohit pays his medical insurance premium in the month of March and his life insurance premium in the month of June. A new life policy of ₹.2,00,000 for Mrs. Purohit is bought for which a premium of ₹.10,000 is to be paid in November 2017.
- The Purohit family is expecting guest during Diwali vacation in November 2017 for which they have to make provision for ₹.10,000.
- Other expenses are expected to remain unchanged.

OR

- Q.1a) What is Personal Finance? Describe goals of personal finance in detail. [08]
b) Discuss Process of Personal Financial Planning and Budgeting in detail. [07]

- Q.2 Explain: NSC, PPF and Post office schemes. [15]

OR

- Q.2a) Define Saving and Investment. Why do you think to have diversified portfolio? [08]
b) Write on RBI relief Bonds and double option bond. [07]

- Q.3 What is Mutual fund? Explain the types of mutual funds. [15]

OR

- Q.3a) Describe the scenario of Mutual fund in India. [08]
b) What are the benefits of investment in mutual fund? [07]

- Q.4 a) What do you mean by General Insurance? Why vehicle insurance is needed? [09]
b) Explain the features of medical insurance. [06]

OR

- Q.4 Write on: [15]
1. Endowment Insurance, 2. Whole life Insurance, 3. Term Insurance