

[43 & A-39] Seat No.: _____

No of Printed Pages: 02

SARDAR PATEL UNIVERSITY
TYBBA EXAMINATION
SEMESTER V (CBCS)
WEDNESDAY, 23rd NOVEMBER
2016

2.00 pm to 4.00 pm

UM05CBBA04: PERSONAL FINANCE AND INVESTMENT MANAGEMENT

TOTAL MARKS: 60

Q-1 Clarify the concept of Personal Financial Management with its goals and importance. **[15]**

OR

Q-1 From the foll.information provided,Prepare a quarterly cash budget of Kapoor family for the period starting from 1.4.2006 to 31.3.2007. **[15]**

The Kapoor's live in Mumbai & have a son who goes to school. Mr Kapoor is a executive with HCL Ltd & earns a net salary of Rs 300000 p.a after taxes .Mrs Kapoor is a finance manager in TCS Ltd & earns a net salary of Rs 216000 p.a after taxes . the Kapoor family annual expenditure for the period 1.4.2005 to 31.3.2006 was as follows

Particulars	Amount(Rs)
Household expenditure	180000
Home loan repayment.(equal Installments per month)	96000
Car loan repayment (equal Installments per month)	60000
School fees	20000
LIC Premium of Mr. & Mrs. Kapoor	25000

Other Information

- The family has a cash & bank b/s worth Rs 110000
- The family earns a interest income of Rs 5000 in the month of June & December

- c) They expect an NSC amounting to Rs 20000 to mature in November 2006.
- d) Household expenses are expected to rise by 15% in the year 2006-07. and are assumed to be incurred evenly throughout the year.
- e) school fees are expected to increase by 10% in the year 2006-07 are to be paid in two instalments in the month of march & September.
- f) Car loan was taken for a period of five years & the last installment of this loan is payable in the month of April
- g) LIC premium is payable in the month of april.
- h) A new icici –smartkid policy is to be bought for their son on 12 January, whose annual premium of Rs 10000 is to be paid on the same date.
- i) Kapoor family is planning a vacation trip to Singapore during diwali in October-2006, which is expected to cost Rs 100000
- j) They are planning to make investment in shares & mutual funds worth Rs 15000 in the month of march 2007.

Q-2 Write short note on (i) Endowment assurance (ii) Whole life assurance (iii) Term assurance [15]

OR

Q-2 Why there is need for Medical insurance and Liability insurance? [15]

Q-3(a) Why there is need for Diversified Personal Investment Portfolio in modern life? [08]

(b) Write short note on (i) National Saving Certificate (ii) Public Provident Fund [07]

OR

Q-3(a) Write short note on (i) Time deposit (ii) Recurring deposit [08]

(b) Write brief note on: (i) RBI Bonds (ii) Infrastructure Bonds by ICICI & IDBI [07]

Q-4(a) Write short note on : (i) Growth funds (ii) Income funds (iii) Monthly Income Plans [10]

(b) Write short note on : Mutual funds in India [05]

OR

Q-4 Write short note on (i) Tax savings funds (ii) Money market funds (iii) Gift funds [15]
