

Trimester: January - April 2024		
Examination: End term Examination		
Program code: 11 Program: MBA-Part Time FM	Class: SY	Trimester: VI (SVU 2023)
Name of the Constituent College: K. J. Somaiya Institute of Management	Name of the department/Section/Center: Finance & Law	
Course Code: 217P10C611	Name of the Course: Wealth Management	

Maximum Marks: 50
Duration: 3 hours

Date: 21 April, 2024

Instructions:-

1. Examination will be conducted in the computer lab. Answer booklet will be provided to you by the invigilator which has to be used for attempting this exam and do NOT upload any answer/s in the system. Use of Excel application is permitted.
2. Attempt question 1 which is compulsory
3. Attempt THREE questions from the rest.

Question No.		Max. Marks																																								
Q 1	<p>a) Use the following items to prepare a net worth statement and a cash flow statement. Determine the total assets, total liabilities, net worth, total cash inflows, and total cash outflows.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Category</th> <th style="text-align: center;">Amount (₹ '00)</th> </tr> </thead> <tbody> <tr><td>Rent for the month</td><td style="text-align: right;">650</td></tr> <tr><td>Monthly take home salary</td><td style="text-align: right;">1950</td></tr> <tr><td>Savings account balance</td><td style="text-align: right;">2340</td></tr> <tr><td>Spending for food</td><td style="text-align: right;">345</td></tr> <tr><td>Balance of educational loan</td><td style="text-align: right;">2160</td></tr> <tr><td>Current value of automobile</td><td style="text-align: right;">7800</td></tr> <tr><td>Telephone bill paid for month</td><td style="text-align: right;">65</td></tr> <tr><td>Credit card balance</td><td style="text-align: right;">235</td></tr> <tr><td>Loan payment</td><td style="text-align: right;">80</td></tr> <tr><td>Auto Insurance</td><td style="text-align: right;">230</td></tr> <tr><td>House hold possession</td><td style="text-align: right;">3400</td></tr> <tr><td>Laptop</td><td style="text-align: right;">2350</td></tr> <tr><td>Payment for electricity</td><td style="text-align: right;">90</td></tr> <tr><td>Lunches/ parking at work</td><td style="text-align: right;">180</td></tr> <tr><td>Donations</td><td style="text-align: right;">70</td></tr> <tr><td>Home Computer</td><td style="text-align: right;">1500</td></tr> <tr><td>Value of stock investment</td><td style="text-align: right;">860</td></tr> <tr><td>Clothing purchase</td><td style="text-align: right;">110</td></tr> <tr><td>Restaurant spending</td><td style="text-align: right;">130</td></tr> </tbody> </table> <p>b) Using the above data, calculate Debt payments ratio and liquidity ratio</p>	Category	Amount (₹ '00)	Rent for the month	650	Monthly take home salary	1950	Savings account balance	2340	Spending for food	345	Balance of educational loan	2160	Current value of automobile	7800	Telephone bill paid for month	65	Credit card balance	235	Loan payment	80	Auto Insurance	230	House hold possession	3400	Laptop	2350	Payment for electricity	90	Lunches/ parking at work	180	Donations	70	Home Computer	1500	Value of stock investment	860	Clothing purchase	110	Restaurant spending	130	14 marks
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	c) What factors would you consider to ascertain the risk profile of the client?	
Q2	<p>a) Sanjeev has to accumulate money to buy a car worth Rs. 560000 after 4 years. He wishes to invest money at the beginning of every quarter for the first 3 years and he cannot save any more money after that. Calculate the amount of saving required every quarter if the rate of return on investments is 14.25% pa.</p> <p>b) Ram requires ₹20,00,000 at 58 when he retires. What is the monthly savings that he needs if he is 40 today and the rate of interest is 10% p.a. (4 marks)</p> <p>c) Mr Ambar aged 45 years saves at 9% p.a., ₹2,00,000 at the beginning of the year for the first 8 years and then stops saving on account of certain financial problems. On retirement at the age of 65 years, he intends to keep aside a sum of ₹ 5,00,000 out of the accumulated amount of the above savings as an emergency fund and to invest the balance amount at 6% p.a. providing withdrawal of a fixed amount at the beginning of every year for 20 years. Find the amount of annual withdrawal? (4 marks)</p>	12 marks (4 marks each)
Q3	<p>A) What are the eligible deductions under section 80C?</p> <p>B) Discuss the different ways of transferring estate to successors.</p>	12 marks
Q4	<p>A) What are the concerns of investors addressed by RBI in their guidelines to Wealth Management</p> <p>B) Explain the Financial Planning process.</p>	12 marks
Q5	<p>A) Discuss the concept of mis-selling.</p> <p>B) Rupee Cost Averaging</p>	12 marks