

<b>Trim: Jan – Mar 24</b>		
<b>Maximum Marks: 50 marks Examination: ETE Exam Date: 21/04/2024 Duration: 3 hours</b>		
<b>Programme code: 11</b>	<b>Class: TY</b>	<b>Semester/Trimester: IX</b>
<b>Programme: MBA (PT) 2021 – 2024</b>		
<b>College: K. J. Somaiya Institute of Management</b>		<b>Name of the department/Section/Center: FINANCE</b>
<b>Course Code: 117P11C903</b>		<b>Name of the Course: Wealth Management</b>
<b>Instructions: Question 1 is compulsory. Answer any three from the remaining five questions.</b>		

Question No.		Max. Marks
1	<p>Two case studies are given below. Read each case and answer questions related to each case separately.</p> <p>a) Mr. Vivek Sharma is 48 years old and he currently works as a central government Class 4 employee and he currently earns close to Rs. 25000 per month. He does not have any loans currently and lives in a modest 1 BHK flat in suburbs of Mumbai with his wife. He has no kids. He has been buying lottery tickets for the past few years with the hope of becoming rich and quitting his job. Suddenly, in March 2024, he gets the news that he has won a lottery and that he would be receiving Rs. 2 crores post-tax in his bank account. Mr. Vivek Sharma now wants to quit his job and has approached your wealth management firm for advice. Design a wealth management plan for Mr. Vivek Sharma such that he and his wife can live the rest of their life without any financial constraints. <b>(10 marks)</b></p> <p>b) Mr. Binod Kumar is salaried person earning Rs. 1 lakh per month. He is in early 50's and stays with his wife and one son who is 12 years old. He currently owns two houses and a car as his personal assets which are valued at Rs. 2.5 crores. He does not have any other assets or investment plans and he is worried that his personal assets may not be sufficient for him and his family to cover up for kid's education or any other emergencies. As a wealth manager, advise Mr. Binod on how he can have a better financial plan to cover up for future financial requirements for himself and his family. Assume that he plans to work in his current job for the next 5 years after which he will retire. <b>(10 marks)</b></p>	<b>20 marks</b>
2	<p>Attempt each question given below:</p> <p>a) What is the scope of services being offered by wealth management firms in India? Explain in brief the services being offered and name any two wealth management firms in India. <b>(5 marks)</b></p> <p>b) Discuss the key regulatory challenges faced by wealth management firms in India. <b>(5 marks)</b></p>	<b>10 marks</b>
3	<p>In brief, answer each question given below:</p> <p>a) Explain the concept of retirement planning and discuss why retirement planning is an integral part of the wealth management process. <b>(5 marks)</b></p> <p>b) Differentiate between traditional investing and alternate investing. <b>(5 marks)</b></p>	<b>10 marks</b>
4	<p>Write short notes on:</p> <p>a) Importance of insurance planning in wealth management <b>(5 marks)</b></p> <p>b) Strategic asset allocation <b>(5 marks)</b></p>	<b>10 marks</b>
5	<p>Answer each question as advised:</p> <p>a) List and summarize any five types of wills commonly used in India for the purpose of estate planning. <b>(5 marks)</b></p> <p>b) Briefly discuss Endowment Plans and ULIPs and discuss why these plans are different than traditional life insurance policies. <b>(5 marks)</b></p>	<b>10 marks</b>
6	<p>Solve each of the following:</p> <p>a) A bank is offering a nominal interest rate of 16% per annum with quarterly compounding. If an investor invests Rs. 10000, what will be the holding period return for the investor after one year. <b>(5 marks)</b></p> <p>b) Mr. Shyam borrows Rs. 80000 to purchase a laptop and the interest rate applicable is Rs. 1.25% per month. The loan is to be repaid in 12 equal monthly installments payable (EMI) at the end of each month. Calculate the EMI to be paid by Mr. Shyam per month? <b>(5 marks)</b></p>	<b>10 marks</b>