Roll No										

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Bengaluru

Even Semester End Term Examination, May / June 2026		
Date: 25/05/2026		**Time: 01.00 PM - 04.00 PM**
Course Code: BFI3012	**Course Name: Personal Finance**	
Semester: Sixth Semester	**Max. Marks: 100**	**Weightage: 50%**

CO - Levels	CO1	CO2	CO3	CO4
Marks	**40**	**36**	**52**	**52**

Part A: Answer Following Questions. 20 M

Qn.No	Questions	M	CO	BT
1	State the meaning of estate planning	2	CO1	BT1
2	List any two scope of personal finance	2	CO1	BT1
3	Define wealth management	2	CO1	BT1
4	Recall the formula of net worth.	2	CO1	BT1
5	List any two right of the insured.	2	CO2	BT1
6	State the meaning of term insurance	2	CO2	BT1
7	State the meaning of Intestate Succession	2	CO3	BT1
8	Define Will.	2	CO3	BT1
9	Recall the meaning of SWP	2	CO4	BT1
10	List two disadvantages of defined benefit plan.	2	CO4	BT1

Part B: Answer Any 1 Following Questions. 16 M

Qn.No	Questions	M	CO	BT
11.a	Explain how the process of personal financial planning helps individuals in making informed financial decisions and securing their future.	6	CO1	BT2
11.b	Examine the role of wealth management in ensuring long-term financial security and discuss the challenges involved in its effective execution.	10	CO1	BT2

12.a	Examine the role of TVM in comparing different financial alternatives and achieving long-term financial goals. Illustrate your question with examples	6	CO1	BT2
12.b	Anita, a young professional, earns a good salary but often runs out of money before the end of the month due to unplanned spending. She decides to create a personal budget by tracking her income and expenses, setting spending limits, and prioritizing savings. Over time, she gains better control over her finances and starts saving regularly. Questions: Explain Anita’s situation and highlight the importance of a personal budget? Identify the steps Anita followed to improve her financial situation?	10	CO1	BT2

Part C: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
13.a	Critically examine the core principles of insurance and their importance in maintaining trust between the insurer and the insured.	6	CO2	BT2
13.b	Mr. Kumar, aged 30, plans his financial future by choosing different insurance options—one that provides pure risk protection, another that combines savings with protection, and a third that offers lifelong coverage. Over time, these choices help him secure his family’s future and meet long-term financial goals. In contrast, his friend Mr. Raj relies only on regular savings without any insurance coverage. After an unexpected event, Raj’s family faces financial difficulties, while Kumar’s family remains financially stable due to his planning. Questions: Explain the differnt types of insurance coverage are reflected in Mr. Kumar’s choices? Determine how these choices contribute to his overall financial security.	10	CO2	BT2
14.a	Explain the concept of investment in physical assets and analyze its advantages and disadvantages in financial planning.	6	CO2	BT2
14.b	A retail investor chooses fixed deposits over equities despite low returns. Explain the concept of risk-return perception to explain this decision.	10	CO2	BT2

Part D: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**

 PTO (Please Turn Over)

15.a	Explain the legal framework governing testate and intestate succession and evaluate their role in wealth transfer.	6	CO3	BT2
15.b	Analyze how proper tax planning helps in reducing tax liability and improving financial efficiency.	10	CO3	BT3
16.a	"Tax planning is not tax evasion." Discuss.	6	CO3	BT2
16.b	Mr. Sharma owns multiple assets including property, investments, and business interests. He wants to ensure the smooth distribution of his wealth among his family members after his lifetime. Question: Explain why estate planning is necessary in this case. Analyse the components he should include in his estate plan.	10	CO3	BT4

Part E: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
17.a	Financial planning plays a crucial role in ensuring a stable and secure future. In this context, explain the need for financial planning in modern life and discuss its importance in achieving financial stability and long-term security.	6	CO4	BT2
17.b	Rahul, a 28-year-old young professional at the beginning of his career, and Mr. Mehta, a 50-year-old individual nearing retirement, both aim to build a sufficient retirement corpus. While Rahul has a longer investment horizon and growing income, Mr. Mehta has limited time and focuses more on preserving his accumulated wealth. Questions: • Compare and analyze the most suitable investment avenues for Rahul and Mr. Mehta in the context of their retirement planning. • Explain in detail how factors such as age, income level, investment horizon, and risk tolerance influence their choice of investment avenues.	10	CO4	BT4
18.a	Evaluate the process of accumulation and distribution of retirement corpus and analyze their importance in ensuring financial security after retirement.	6	CO4	BT5
18.b	Pension product play a crucial role in retirement planning and financial security. Analyze the role of pension products in ensuring financial security during retirement.	10	CO4	BT4

Part F: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
19.a	Examine the key features of the National Pension System and evaluate its effectiveness in long-term financial planning.	6	CO4	BT4

19.b	Investment Avenues Priya, a 32-year-old working professional, wants to invest her savings to achieve multiple financial goals such as buying a house, funding her child's education, and building wealth for retirement. She is confused between different investment avenues like bank deposits, mutual funds, equities, and gold. She is willing to take moderate risk but also wants some level of safety and liquidity. Her friend Anil, on the other hand, invests most of his savings only in bank deposits, avoiding market-linked options due to fear of risk. Over time, Priya's diversified investments generate better returns, while Anil's portfolio grows slowly. Questions: Compare the investment avenues suitable for Priya and Anil based on their risk-return preferences. Evaluate how diversification across different investment avenues benefit Priya.	10	CO4	BT4
20.a	Proper classification of income is essential for fair taxation. Explain the statement with suitable argument	6	CO3	BT2
20.b	Mr. Arjun, a salaried employee, finds that a significant portion of his income goes towards taxes. To reduce his tax burden, he starts exploring legal tax-saving options. He invests in eligible tax-saving instruments, claims deductions for insurance premiums and housing loan interest, and plans his expenses to take advantage of available exemptions. Over time, his tax liability decreases, and his savings increase. Questions: Explain the key tax reduction strategies are highlighted in this case. Analyse these strategies to improve Mr. Arjun's overall financial efficiency.	10	CO3	BT4