



**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF MANAGEMENT**

**MAKEUP EXAMINATION – JAN 2023**

**Course Code:** MBA3037

**Course Name:** Personal Wealth Management

**Program** : MBA

**Date:** 23-Jan-2023

**Time:** 09.30 AM – 12.30 PM

**Max Marks:** 100

**Weightage:** 50%

**Instructions:**

(i) Read the all questions carefully and answer accordingly.

**Part A [Memory Recall Questions]**

**Answer all the Questions. Each question carries THREE marks.**

**(10Qx 3M= 30M)**

1. While drawing the financial plan of an individual, we have to consider various macro-economic factors. Name any three of these factors. (C.O.No.1) [Knowledge]
2. The period of 12 months commencing on the 1<sup>st</sup> day of April every year and ending on 31<sup>st</sup> March of the next year plays a significant role in determining Assessee's taxable income. Describe previous year, Assessment year and an Assessee in this context. (C.O.No.3) [Knowledge]
3. List out any six types of Insurance generally taken by the insured. (C.O.No.2) [Knowledge]
4. An Assessee can reduce the burden of tax by way of Tax Evasion, Tax Avoidance and Tax Planning. In this context, define the terms Tax Evasion, Tax Avoidance and Tax Planning. (C.O.No.3) [Knowledge]
5. A Proprietor has monthly expenses of Rs. 8,200. He currently has Rs.15,000 in savings account, Rs. 6,000 in a FD account, Rs. 25,000 invested in stocks and Rs. 20,000 invested in bonds out of which Rs. 5,000 are maturing in one day. Based on the information state their basic Liquidity ratio. (C.O.No.1) [Knowledge]
6. List out the steps involved in the decision to make an investment in equity. (C.O.No.3) [Knowledge]
7. State any three features of Power of Attorney as used in Estate Planning. (C.O.No.4) [Knowledge]
8. Mr. Arun aged 35 years, working in a private firm. He shared his basic information on financial assets and liabilities. Identify the total wealth from the following information: Bike Rs. 3000, Cash Rs. 2000, Furniture Rs. 4000, Mutual Fund Rs. 12000, Credit card debt Rs.1500, Electric bill Rs. 2500. (C.O.No.1) [Knowledge]
9. Estate Planning is the last stage in the Financial Planning process. State the various things that should be kept ready for Estate Planning. (C.O.No.4) [Knowledge]
10. List out the attributes that one should consider while evaluating an investment. (C.O.No.2) [Knowledge]

## Part B [Thought Provoking Questions]

Answer all the Questions. Each question carries EIGHT marks. (5Qx8M=40M)

11. Mr. Santhosh Sivan is a retired Govt. servant. He wanted to know how the assets will be shared in case of his death. He has two sons and a wife. As an Estate Planner, discuss the type of legal documents to be created to share the property or asset among his dependents and also its different forms. (C.O.No.4) [Comprehension]
12. Mr. Kumar Ganesh is aged 30 years old. He has 2 Dependents (a wife and a daughter). His After-Tax Salary now is Rs 750000. His income is expected to grow at 6% pa. He is expected to retire at age of 60. His Personal Expenses are Rs 60000 pa. He currently has Life Insurance Coverage for Rs 6 Lacs with an annual premium of Rs 2500. Assume the Discount Rate is 9% pa. From the above information, what do you think is the HLV (Human Life Value) of Mr. Kumar Ganesh? (C.O.No.3) [Comprehension]
13. Mr. Rajaram is a sole Proprietor of a firm for the past five years. He decided to have proper statement of his Asset, Liabilities, income and expenses. He shared his financial information with you which are as follows:

Particulars	Amt. (in Rs. (000)')	Particulars	Amt. (in Rs. (000)')
Salary	25	Utilities	0.3
Bonus	2	Education Loan	0.5
Interest Income	0.5	Medical	0.25
Housing (rent)	1.2	Credit card balance	1.5
Household expenses	2	Savings A/c Balance	0.75
Recreation (vacations)	0.5	FDs	2
Taxes	4	Mutual Funds	1.5
Vehicle loan instalment	1.8	Stocks	1.5
Jewelry	2.5		

Analyze and Comment on his personal Net worth. (C.O.No.1) [Comprehension]

14. Mrs. Asha Raj aged 32 years, is a Bank employee and has two children. She wants to take Life Insurance policy. Insurance policies provide protection against the various types of uncertainties that can occur in the life of an individual. For availing life insurance policy, Ms. Asha Raj needs to provide some basic details. Identify those details and also suggest her any four Life Insurance policies which she can avail. (C.O.No.2) [Comprehension]
15. Assume that your Company has completed one year of existence and gained good amount of profit. As your company grows, providing a comprehensive and competitive benefits package becomes more important. A retirement benefit plan can help you recruit great candidates and gain a competitive edge. Determine the best retirement benefit plan for your employees and also compare their benefits with the type of Corpus to be accumulated. (C.O.No.4)

[Comprehension]

### Part C [Problem Solving Questions]

Answer all the Questions. Each question carries FIFTEEN marks.

(2Qx15M=30M)

16. Mr. Sairam aged 35 years, is creating a plan for retirement. His current monthly income is Rs 30000. He expects that this will grow at 2% pa till his retirement at age 60. He requires a replacement ratio of 90% of his current income. During his retired life which could be 15 years consider an inflation of 6% pa. Compute the corpus that he needs to create by the age of retirement to fulfill her goal, if we assume: a) Investment returns post retirement is 9% pa. b) All withdrawals are at the end of the month.

(C.O.No. 4) [Application]

17. Mr. Sairam has a Taxable Salary Income of Rs 565000. He also owns a flat which is let out for rent of Rs 22000 pm during the whole of 2020-21. He pays a Municipal Tax of Rs 7000 and spent Rs 25000 on repairs for the year on the flat. He had taken a Housing Loan to purchase the Flat and the Interest for the year is Rs 110000 and principal repaid is Rs 90000. He also has a PF contribution of Rs 32000 and Interest on Education Loan of Rs 18000. His employer has deducted a TDS of Rs 7000. Compute the Taxable Income and Tax Payable by Mr. Sairam for the Year 2020-21.

(C.O.No. 3) [Application]