

[43 & A-39] Seat No.: \_\_\_\_\_

No of Printed Pages: 02

**SARDAR PATEL UNIVERSITY**  
**TYBBA EXAMINATION**  
**SEMESTER V (CBCS)**  
**WEDNESDAY, 23<sup>rd</sup> 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**

- a) The family has a cash & bank b/s worth Rs 110000
- b) 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]

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