

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2019-2020 and thereafter)

COURSE CODE: 19VB/VM/FP44

B.VOC DEGREE EXAMINATION –APRIL 2022
BANKING, FINANCIAL SERVICES AND INSURANCE
FOURTH SEMESTER

COURSE : MAJOR – CORE
PAPER : FINANCIAL PLANNING
TIME : 3 HOURS

MAX. MARKS: 100

SECTION – A

Answer ALL questions: (10x 2 = 20)

1. Define financial planning.
2. Give any two limitations of financial planning
3. What is zero based budgeting?
4. Write a note on risk profiling.
5. Give the formula for calculating return on investment.
6. What is investment planning?
7. Write a note on retirement planning.
8. What is retirement need analysis?
9. What is S.M.A.R.T financial goal?
10. Write a note on Bonds

SECTION – B

Answer any FIVE questions: (5x 4 = 20)

11. Explain the benefits of Return on Investment (ROI).
12. What are the common information sources available for financial planning?
13. Briefly explain the different types of financial planning.
14. What are the stages of financial life cycle?
15. What is the need for retirement planning?
16. Give an overview on the operating constraints faced while investing.
17. Explain the steps involved in financial planning.

SECTION – C

Answer any TWO questions: (2x15 = 30)

18. What is the need for retirement planning? Explain the various schemes available for retirement planning.
19. Elucidate the importance of financial planning. What are the best investment options available in India?
20. What are financial instruments? Explain the assessment of risk in different financial instruments.

SECTION D**CASE STUDY ANALYSIS****(30 Marks)**

21. John is 30 years old a salaried employee whose annual income is Rs. 10.80,000, that is Rs. 90,000 per month after taxes. His family household monthly expenses are roughly Rs. 50,000 (including building maintenance expenses of Rs. 15,000 per month). He invests Rs. 35,000 per month, and saves Rs. 5,000 per month. He expects his salary to grow at 10% per year. At the same time, he wants to take his family on annual vacations worth Rs.2,00,000 to Rs.2,50,000 per year. John wants to move to a better location and he is ready to take up housing loan to fulfill his need. He would also like to retire at the age of 60 in 2052. His post retirement life expenses will be Rs.35,000 per month.

Questions:

- (i) Identify John's Investment proposal
- (ii) What should be his priority in investment
- (iii) Should he first plan for his retirement and then worry about moving to a better building or should John take a home loan?
- (iv) How would John structure his finances?
- (v) As a financial advisor to John what are the suggestions you would give him to achieve his life goals.
