

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

**B.VOC. DEGREE EXAMINATION –APRIL 2024**  
**BANKING, FINANCIAL SERVICES AND INSURANCE**  
**FOURTH SEMESTER**

**COURSE : MAJOR – CORE**  
**PAPER : FINANCIAL PLANNING**  
**SUBJECT CODE : 19VB/VM/FP44**  
**TIME : 3 HOURS** **MAX. MARKS: 100**

**SECTION – A**

**Answer ALL questions: (10x 2 = 20)**

1. What is meant by financial planning?
2. Define Risk Management.
3. Spell out the term return on investment.
4. Why risk profiling play an important role?
5. Is mutual fund subject to risk? How?
6. List out the types of shares.
7. What is the term life cycle approach?
8. Give a brief note on time value concept.
9. Label out the significance of retirement planning.
10. Identify the steps involved in planning your retirement.

**SECTION – B**

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

11. Enumerate precisely the importance of financial planning.
12. As a financial manager, how will you assess the risk in different financial instruments?
13. Comparison between Shares and Bonds.
14. Draw and explain the structure of personal financial planning.
15. Classify in detail the various investment schemes for retirement.
16. Formulate clearly the operational constraints faced by the investors while investing.
17. Elaborate in detail the various sources of financial information.

**SECTION – C**

**Answer any TWO questions: (2x15 = 30)**

18. Describe briefly the importance of risk management in financial planning.
19. Categorize briefly the various process of financial planning.
20. How will you estimate the savings by using time value concept? - Discuss

**SECTION D****21. CASE STUDY (Compulsory)****(30 Marks)**

Kathy, age 44, is a radiologist in Taos who purchased a home in 2006 prior to the mortgage crises. Her home was in need of repairs and obtained a second mortgage and third mortgage, one was for a new roof and the other was to upgrade the electrical. In addition, she had to borrow from her retirement plan in order to make other renovations. She also has credit card debt, student loans and a car loan. The burden of debt is overwhelming especially since she estimates that she purchased her home at the top of the market and the home value is less than the total outstanding mortgage debt. Her salary is \$67,000 per year and that does not include the rent she receives from her roommate. Kathy is a hard worker and has worked extra hours to cover her debt. She does some travel to visit her family in another state. She also has been involved in business ventures. She is savvy and knows that she needs to deal with her financial issues. She does maintain a 403(b) fund and contributes to receive the maximum matching employer contribution. Her cash flow is restricted because of the amount of debt she carries.

1. Evaluate her current financial diagnostics to achieve the goals.
2. Implement and execute her plan with goal based recommendations.
3. From the above case identify the need for financial planning.

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