

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA - SEMESTER-III • EXAMINATION – WINTER 2013

Subject Code: 2830010

Date: 18-12-2013

Subject Name: Financial Planning (FP)

Time: 14:30 pm – 17:30 pm

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** (a) Most people want to handle their finances so that they get full satisfaction from each available dollar- How Financial Planning help in this context? **07**
- (b) You are an above average earner and want to make savings for future. Evaluate various investment alternatives available in market **07**
- Q.2** (a) What is a financial plan? What is the purpose of a financial plan? **07**
- (b) Why do you think Health Insurance is essential? Discuss the features of Health Insurance policy? **07**
- OR**
- (b) Explain Advantages and Disadvantages of Credit. **07**
- Q.3** (a) For successful financial planning you required to update yourself regularly. Which are the various source of investment information available? **07**
- (b) How changing Economic conditions and its impact on Financial Decisions? **07**
- OR**
- Q.3** (a) What is Financial Planning? Explain its process in brief. **07**
- (b) Explain the various risks covered under a Motor Vehicle Insurance. **07**
- Q.4** (a) What are five C's of credit? **07**
- (b) What is meaning of Life insurance? What is its purpose? **07**
- OR**
- Q.4** (a) Explain the time value of money concept and how it affects your investment programs. **07**
- Q.4** (b) Briefly explain stages of career development, its characteristics and concerns. **07**
- Q.5** (a) Explain why people invest in Mutual Fund? Explain types of Mutual Fund available in Investment market. **07**
- (b) For four years, Mr. Harry Ahuja invested Rs.3, 000 each year in Indiana Bank stock. In 2009, the stock was selling for Rs.34. In 2010, the stock was selling for Rs.48. In 2011, the stock was selling for Rs.37. In 2012, the stock was selling for Rs.52. **07**
- a. What is Mr. Harry's total investment in Indiana Bank?
 - b. After four years, how many shares does Mr. Harry own? Use Dollar Cost Averaging method.

OR

- Q.5** (a) Explain Tax Planning and its importance. **07**
(b) Use the following items to prepare a balance sheet and a cash flow statement. Determine the total assets, total liabilities, net worth, total cash inflows, and total cash outflows. **07**

Rent for the month, Rs.650	Monthly take-home salary, Rs.1,950
Cash in checking account, Rs.450	Savings account balance, Rs.1,890
Spending for food, Rs.345	Balance of educational loan, Rs.2,160
Current value of automobile, Rs.7,800	Telephone bill paid for month, Rs.65
Credit card balance, Rs.235	Loan payment, Rs.80
Auto insurance, Rs.230	Household possessions, Rs.3,400
Stereo equipment, Rs.2,350	Payment for electricity, Rs.90
Lunches/parking at work, Rs.180	Donations to church, Rs.70
Home computer, Rs.1,500	Value of stock investment, Rs.860
Clothing purchase, Rs.110	Restaurant spending, Rs.130
