

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER 3 • EXAMINATION – WINTER 2015**

**Subject Code: 2830010****Date: 02/12/ 2015****Subject Name: Financial Planning (FP)****Time: 10.30 am to 01.30 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)** Objective Questions **6**
- You want to repay some money lent to you by a friend, using automatic Installments. Which of the following bank features would be most appropriate to do this?
1. A. Cash card. B. Direct debit.  
C. Standing order D. Debit card.
2. Which of the following is part of your cash flow statement  
A. Loss B. Cash inflow  
C. Balance sheet D. Profit
3. Your personal financial goal should be  
A. Realistic B. Specific  
C. Time horizon D. All of above
4. Which of the following is not risk  
A. Peril B. Speculative risk  
C. Hazard D. Claim
5. Which of the following is not kept in Safe deposit box  
A. Current resume B. Tax record  
C. Certificate of deposit D. Birth certificate
6. Which of the following is one of the Risk Management Methods?  
A. Risk reduction B. Premium  
C. Policy D. Risk
- Q.1 (b)** Explain each term: **04**  
 1. Deductible 2. Tax credit 3. Credit insurance 4. Mediation
- Q.1 (c)** What is Five C's of Credit? **04**
- Q.2 (a)** Why it is advisable to know about the investment avenues? **07**
- (b)** Explain the automobile insurance? Why any person needs the automobile insurance. **07**
- OR**
- (b)** What is consumer credit? Explain the types of Consumer credit with its advantages and disadvantage o **07**
- Q.3 (a)** What is Financial Plan? What is the purpose of a financial plan? **07**
- (b)** Let's assume you are a financial planner, what would be your choice of investment for your client? Please Explain with example **07**
- OR**
- Q.3 (a)** How should any investor consider taxes in his financial planning? **07**  
 Explain tax planning with importance of 80c.
- (b)** Prepare financial goals and activities list for various life situations. **07**

- Q.4** (a) Differentiate between Disability insurance and Long term care insurance **07**  
 (b) What type of activities would you recommend for people who desire career advancement and professional growth **07**
- OR**
- Q.4** (a) Many financial experts say that purchasing a mutual fund is “too easy”. Do you think this statement is true or false? Explain. **07**  
 (b) “When the repayment is Early: The Rule of 78” explains this. **07**
- Q.5** Prepare financial planning report for: **14**  
 An Entrepreneur considering his current expense level, future needs of family, retirement age and contingency funds.
- OR**
- Q.5** How Financial ratios provide guidelines for measuring changes in financial situation? Explain this with help of below information **14**  
 Based on the following information, calculate the ratios :  
 (Amount in Rs)  
 Liabilities 12000 Net worth 36000  
 Liquid assets 2200 Current liabilities 550  
 Take home pay 900 Gross income 1500  
 Monthly credit payments 150

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