

Seat No.: \_\_\_\_\_

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER 3 – EXAMINATION – WINTER 2018**

**Subject Code: 3539286****Date: 06/12/2018****Subject Name: Management of Financial Planning (MFP)****Time: 10:30am to 01:30pm****Total Marks: 70****Instructions:**

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

Q. No.		Marks
Q.1	Answer Following (2 Marks Each)	14
	(a) List down the main components of personal financial planning.	
	(b) Define Forward, Future & Options	
	(c) Explain Yield to Maturity (YTM)	
	(d) Explain Exchange Traded Funds (ETF)	
	(e) Define EEE, EET & ETE	
	(f) Explain Systematic Investment Plan (SIP)	
	(g) Explain Systematic Withdrawal Plan (SWP)	
Q.2	(a) Define Personal financial planning (PFP) and analyze the process for making personal financial decisions.	07
	(b) What do you understand by Portfolio Risk and Return? Differentiate between Tactical and Strategic Asset Allocation.	07
	<b>OR</b>	
	(b) What are the various investment avenues available for tax deduction under Section 80C?	07
Q.3	(a) What do you understand by Mutual Funds? Explain in detail the various kinds of Mutual Funds available?	07
	(b) What is NAV and how it is being calculated? (Show the calculation by using hypothetical numbers).	07
	<b>OR</b>	
Q.3	(a) Discuss the Advantages and Disadvantages of investing in Mutual Funds.	07
	(b) Define Will & Probate. Explain in detail the objectives of creating valid will.	07
Q.4	(a) Briefly explain stages of Career Planning and Advancement.	07
	(b) What do you mean by Retirement Need Analysis. How do you develop retirement plans?	07
	<b>OR</b>	
Q.4	(a) State the guidelines for setting financial goals?	07
	(b) Explain risk return trade off. What are the major types of risk associated with Investment in Real Estate, Gold and Commodities?	07

Q.5

**CASE STUDY:**[www.FirstRanker.com](http://www.FirstRanker.com)[www.FirstRanker.com](http://www.FirstRanker.com)

Mr. A.K. Dalal is 30 years old and is Orthopedic Surgeon. His wife Mrs. Falguni Dalal is Designer and works with a Designer Firm. Their combined annual income are Rs. 6,00,000/- (net of taxes). Their present annual expenses are Rs. 3,60,000/-. They have two daughters aged 6 & 3. Their Financial Goals are as follow: (i) Accumulate Rs. 25,00,000/- each for their both the daughters education after 13 and 16 years respectively. (ii) Accumulate Rs. 12,00,000/- after 7 years for starting a Designer Studio by Mrs. Dalal, (iii) Take a loan from bank for purchase of new Flat next month, (iv) Accumulate Rs. 35,00,000/- each for their both the daughters marriage after 17 and 20 years respectively.

- (a) How much Mr. and Mrs. Dalal have to save annually in order to fulfill first financial goal assuming average interest rates will be 9% p.a.? **07**  
(Table Values = 22.953 & 33.003)

- (b) How much amount needed to be deposited in Bank FD today in order to fulfill second financial goal assuming the FD interest rates prevalent in Bank are 8%? What if the lump sum amount is deposited in Debt Mutual Fund having approx Return of Investment of 10%? (Table Values = 1.714, 0.583, 1.949 & 0.513) **07**

**OR**

- Q.5** (a) How much loan can be borrowed by Mr. & Mrs. Dalal today if they are willing to pay Rs. 20,000/- per month as an installment for next 5 years for purchase of Home? (Interest Rates on Housing Loan are 11%). **07**

- (b) How much Mr. and Mrs. Dalal have to save annually in order to fulfill fourth financial goal assuming average interest rates will be 11% p.a.? **07**  
(Table Values = 44.501 & 64.203)

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