

B A, BSC, BCOM DEGREE END SEMESTER EXAMINATION – MARCH 2026**UGP (HONS.) SEMESTER – 4: – DISCIPLINE SPECIFIC ELECTIVE****COURSE CODE - 24UCOMDSE204: PERSONAL FINANCE PLANNING***(For Regular 2024 Admission)*

Time: 1.5 Hours

Max. Marks: 50

SECTION – A***Answer any five questions. Each question carries 2 marks.***

1. What is personal finance? (R, CO1)
2. What are government securities? (R, CO2)
3. Expand SGB and define it. (R, CO2)
4. What is retirement planning? (U, CO4)
5. What do you mean by inflation and deflation? (U, CO4)
6. What do you mean by portfolio analysis? (U, CO3)
7. Why is interest rate important in investment decisions? (U, CO3)

(2 x 5 = 10)**SECTION – B*****Answer any four questions. Each question carries 5 marks.***

8. Elucidate the steps in taking a life insurance policy. (R, CO3)
9. What are the advantages of mutual fund as an investment opportunity? (R, CO2)
10. Explain the Time Value Concept of Money with example. (R, CO1)
11. Describe the concept of risk management in insurance products. (R, CO1)
12. Evaluate the importance of maintaining a good credit score for financial stability. (R, CO4)
13. Discuss the implications of tax planning on personal financial decisions. (R, CO4)

(5 x 4 = 20)**SECTION – C*****Answer any two questions. Each question carries 10 marks***

14. Analyse the steps in personal financial planning and their significance. (An, CO1)
15. Critically evaluate different life insurance policies. (E, CO3)

16. Anita, aged 28, works in a private company earning ₹45,000 per month. She lives in a rented apartment and spends nearly 40% of her salary on rent and utilities. She also pays EMIs for a smartphone and a personal loan taken for a vacation. Her remaining income is spent on food, online shopping, and weekend outings. She does not maintain a monthly budget, has no emergency fund, and has not taken any health or life insurance policy. She believes she is “too young” to think about long-term financial planning. Recently, the company downsized and Anita lost her job. With no savings to support her, she started using her credit card for daily expenses. Within three months, she accumulated high-interest debt and had to borrow money from friends.

Questions:

- a) Identify and explain the financial planning mistakes committed by Anita.
- b) Suggest immediate financial corrective measures.
- c) Analyse the short-term and long-term consequences of poor financial planning in Anita’s case. (E, CO2)

17. Megha, a 35-year-old bank employee, earns ₹60,000 per month. She saves around ₹5,000 monthly but keeps the entire amount in her savings bank account. She believes investing in stocks or mutual funds is risky.

Megha has:

- No emergency fund
- No diversified investments
- No retirement planning

Her monthly expenses are increasing due to rising living costs. Inflation is around 6% per annum, while her savings account gives only 3% interest. Recently, her apartment required major repairs costing ₹1.2 lakh. Since she did not have sufficient savings, she broke a small fixed deposit and borrowed money from relatives. She now realizes that her savings are not growing sufficiently to meet future goals like buying a house or retirement planning.

Questions:

- a) Define Saving and Investment with reference to Megha’s case.
- b) Explain the importance of an emergency fund in this situation.
- c) How does inflation affect Megha’s savings?
- d) Identify suitable investment avenues that Megha can consider for wealth creation. (E, CO4)

(10 x 2 = 20)