



## P.B. SIDDHARTHA COLLEGE OF ARTS & SCIENCE

Siddhartha Nagar, Vijayawada – 520 010

NAAC reaccredited at 'A+' level

*Autonomous -ISO 9001 – 2015 Certified*

**Name of the Program: OPEN ELECTIVE**

**Title of the Course: PERSONAL FINANCE**

**Semester: IV**

Course Code		Course Delivery Method	Class Room / Blended Mode
Credits	<b>4</b>	CIA Marks	<b>30</b>
No. of Lecture Hours / Week	<b>05</b>	Semester End Exam Marks	<b>70</b>
Total Number of Lecture Hours	<b>75</b>	Total Marks	<b>100</b>
Year of Introduction : <b>2022</b>	Year of Offering : <b>2022</b>	Year of Revision : <b>NA</b>	Percentage of Revision : <b>NA</b>

**Course Objective:** This course aims to improve students understanding of human behavior in organization and the ability to lead people to achieve more effectively toward increased organizational performance.

### **Course Outcomes:**

- CO-1** To identify the benefits of using personal finance planning techniques in managing personal finances of an individual.
- CO-2** To understand the various constituents of capital markets.
- CO-3** To analyse various Investment avenues as a part of investment management.
- CO-4** To give a brief understanding of Investment decision making.
- CO-5** To understand the basic principles of income taxes and implement and effective tax planning strategy.

## **Syllabus**

### **Course Details**

<b>Unit</b>	<b>Learning Units</b>	<b>Lecture Hours</b>
<b>I</b>	<b>Conceptual understanding of :</b> Income - Expenditure, Investment – Savings, Wealth – Interest – Risk uncertainty – Time value of money – Relationship between Inflation and Interest rates.	<b>12</b>
<b>II</b>	<b>Financial Markets:</b> Capital Market – Components of Capital	<b>20</b>

	Markets – Primary Market and Secondary Market – Equity and Debt Market; Money Market Instruments– Commodity Markets; Derivatives Markets; Foreign Exchange Market.	
<b>III</b>	<b>Investment Management:</b> Meaning and importance –Various Asset classes: equity, debt, gold, real estate, mutual funds, and exchange traded funds- Investment Decision cycle	<b>10</b>
<b>IV</b>	<b>Investment Decisions:</b> Investment alternatives - Savings deposit, Fixed Deposit, Post office saving schemes, LIC, Corporate deposits, Credit cooperative society schemes, Chit fund investment – Overview of Stock Exchange.	<b>13</b>
<b>V</b>	<b>Tax planning:</b> Basic terms of income tax, advance tax, tax deduction at source - deductions under section 80C, 80 CCC, 80 D and 80 G - Taxation of investment products - Retirement planning, Management of nomination, Gift deed, power of attorney and will – Estate planning.	<b>20</b>

## REFERENCES

1. Ahuja, GK& Gupta Ravi. Systematic Approach to Income Tax, Allahabad, Bharat Law House.
2. Shasi K Gupta Financial Management: 2013 8<sup>th</sup> Edition Kalyani Publishers
3. Personal Financial Literacy, Pearson Education, Inc./Prentice-Hall Publishing, 2010 ©. Jeff Madura, Mike Casey, Sherry J. Roberts, authors.

**Course Focus:** Foundation.

## MODEL QUESTION PAPER DEGREE EXAMINATION

### PERSONAL FINANCE

**Duration:** 3 hours

**Maximum Marks:** 70

### SECTION- A

*Answer Any Five of the Following Questions*

**5×4=20 Marks**

1. Write short notes on
  - a. Risk uncertainty.

- b. Inflation.
- c. Equity.
- d. Call money.
- e. Corporate deposit.
- f. 80C Deductions.
- g. Gift deed.

**SECTION – B**

*Answer All Questions*

**5×8=40Marks**

2.	a)	Define Time value of money. How it can be calculated?
		OR
	b)	Briefly discuss the relationship between Inflation and Interest rates.
3.	a)	What is a Mutual Fund? Distinguish between open ended and close ended funds.
		OR
	b)	What is capital market? Briefly explain about the instruments of money market?
4.	a)	What is Investment management? Explain the objectives and importance of investment management.
		OR
	b)	Briefly explain various steps involved in investment decision cycle.
5.	a)	Discuss various investment alternatives available for investors.
		OR
	b)	What is Stock exchange? Explain the process of trading through stock exchanges.
6.	a)	What are the basic concepts of tax planning? Explain.
		OR
	b)	Briefly explain the concept of Estate planning.

**SECTION C - (1 x 10 =10 marks)**

7. a) Explain the structure of financial markets in India.
- OR
- b) Briefly explain various deductions available to tax payers in India.

