(ii) If he wants a yield of 13% what is the maximum price, he should be ready to pay for? (12)

(b) If you itemize your deductions, you may include certain expenses as part of your itemized deductions. Discuss five types of itemized deductions and the general rules that apply to them. (6)

6. Write a short note on any **three** :

(i) Sources of retirement income.

(ii) Real estate without buying the property?

(iii) Income Tax Slab for Assessment Year 2024-25 for individual and senior citizen.

(iv) Commercial Property. (18)

[This question paper contains 4 printed pages.]

Your Roll No..............

Sr. No. of Question Paper : 5865 **H**

Unique Paper Code : 2924000026

Name of the Paper : Financial Planning for Individuals (GE)

Name of the Course : **Bachelor of Management Studies – BMS**

Semester : IV

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.

2. Simple Calculator is allowed.

3. Attempt any **five** questions.

1. (a) Define tax planning. Why every person needs tax planning? (9)

(b) A budget may sound restrictive and no fun at all, but it is the path to successful financial planning. How can you get where you want to go if you don't know where you are from month to month? (9)

2. (a) Explain the following clauses often found in life insurance policies : (i) multiple indemnity clause, (ii) disability clause, and (iii) suicide clause. Give some examples of common exclusions. (9)

(b) Discuss why having adequate health insurance is important and identify the factors contributing to the growing cost of health insurance. (9)

3. (a) The risk-free rate of return is 8% and the market rate of return is 7%. Betas for four shares P, Q, R, and S are respectively 0.60, 1, 1.20, and -0.20. What are the required rates of return on these four shares as per CAPM? (12)

(b) A mutual fund is an indirect investment. Examine it in the light of the features of mutual funds. (6)

4. (a) You are given the following information concerning several mutual funds :

Fund	Return in Excess of the Treasury Bill Rate	Beta
A	12.4%	1.14
B	13.2%	1.22

During the time period the Standard & Poor's stock index exceeded the Treasury bill rate by 10.5 percent.

(i) Rank the performance of each fund without adjusting for risk and adjusting for risk using the Treynor index. Which, if any, outperformed the market? (12)

(b) Describe the role of a retirement life insurance plan in retirement planning. (6)

5. (a) A ₹1000 par value bond bearing a coupon rate of 12 % will mature after 5 years. What is the value of the bond, if the discount rate is 11%? If the bond is currently available at ₹1050.

(i) Whether the investor should buy or not why?