Program: F.Y.B.Com (FM) - CFP **Semester:** I **Program Code:** UGMS02

Course: Personal Finance Management - I **Course Code:** NUFM101

Duration: 2 Hour **Examination Pattern:** NEP-Autonomous **Max. Marks:** 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.
4. CO (Course Outcome), KL (Knowledge Level).

Examination:

REGULAR

Q. 1	(A)	Fill in the blanks with an appropriate answer from the alternatives given.				[08]	CO's	KL's
		I	Net Worth is calculated as Total Assets minus Total _____.				CO1	KL1
			a. Income	b.	Liabilities		CO2	
			c. Expenses	d.	Savings			
		II	Assets that can be converted into cash quickly are called _____ assets.				CO3	
			a. Use	b.	Intangible		CO4	
			c. Liquid	d.	Long-term			
		III	A mutual fund SIP is shown as a cash _____when the instalment is paid.					
			a. Inflow	b.	Outflow			
			c. Liability	d.	Income			
		IV	Conflicting demands arise when several goals compete for _____ financial resources.					
			a. Unlimited	b.	Borrowed			
			c. Limited	d.	Foreign			
		V	A budget is mainly a _____ looking financial tool.					
			a. Backward	b.	Forward			
			c. Tax-only	d.	Loan-only			
		VI	The numerator of the Savings Ratio is annual _____.					
			a. Debt	b.	Expenses			
			c. Savings	d.	Assets			
		VII	The Basic Liquidity Ratio is expressed in number of _____.					
			a. Months	b.	Assets			
			c. Loans	d.	Goals			
		VIII	In TVM, the symbol N represents the number of _____.					
			a. Payments only	b.	Periods			
			c. Assets	d.	Budgets			

	(B)	**State whether the following statements are true or false.**		[07]	CO's	KL's
		I	A Statement of Financial Position shows assets and liabilities at a specific point in time.		CO1	KL1
		II	The outstanding loan balance is recorded as a liability, while the EMI is a cash-flow outflow.		CO2	
		III	A use asset must always produce rental income.		CO3	
		IV	Net inflow is positive when total inflows exceed total outflows.		CO4	
		V	It is recommended to prepare one rigid budget for several years without review.			
		VI	Emergency fund money should preferably be invested in highly volatile equity shares.			
		VII	For the same present value and time period, a higher return generally produces a higher future value.			
Q. 2	A	Explain the three personal financial statements - Statement of Financial Position, Cash Flow Statement and Budget - and state the purpose of each.		[08]	CO3	KL2
	B	Classify assets into liquid, invested and use assets. Explain each category with suitable Indian examples and the role of fair market value.		[07]	CO3	KL4
		OR				
	C	Explain the 6 Step Financial Planning Process in detail.		[08]	CO1	KL2
	D	What are conflicting demands on cash flow? Explain a systematic process and suitable strategies for resolving competing financial goals.		[07]	CO1	KL6
Q. 3	A	Explain the six-step budgeting process and the benefits of evaluating actual expenditure against the budget.		[08]	CO1	KL5
	B	Explain the purpose, recommended size and suitable funding vehicles for an emergency fund. Also state where emergency money should not be invested.		[07]	CO2	KL5
		OR				
	C	Meera has liquid assets of Rs.4,00,000, invested assets of Rs.12,00,000 and use assets of Rs.90,00,000. Her home loan outstanding is Rs.40,00,000, car loan is Rs.3,50,000 and credit-card dues are Rs.65,000. Prepare a summary Statement of Financial Position and calculate her Net Worth.		[08]	CO3	KL3
	D	Raj pays Rs.80,000 from savings and Rs.1,20,000 by credit card for a vacation. No asset is created. Calculate and explain the change in his Net Worth.		[07]	CO3	KL4
Q.4		**Practical Question**			CO's	KL's
	A	Kanishka invests Rs.4,00,500 for 10 years at 9.5% per annum. Interest is compounded semi-annually for the first 5 years and quarterly for the next 5 years. Calculate the accumulated amount after 10 years. Show both stages.		[08]	CO4	KL3
	B	Calculate the Present Value of Rs.10,000 receivable after 6 years if the discount rate is 10% per annum. Show the TVM inputs and working.		[07]		

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