

Time : 2.30 Hrs.

Marks : 75

Q1. a) Multiple Choice Questions : (Any 8)

(08)

1. _____ planning is a way by which you can reduce your tax liability without breaking up any law.
a) Goal
b) Management
c) Tax
d) Currency
2. _____ means marketability of an investment.
a) Planning
b) Liquidity
c) Saving
d) Crediting
3. Accumulation of assets which generate income over a long period of time means _____.
a) Wealth Creation
b) Saving
c) Planning
d) None of the above
4. The term _____ consists of all property owned by you at the time of your death.
a) Will
b) Career
c) Estate
d) Trust
5. _____ analysis help to know the liquidity position of the company.
a) Cash Flow
b) Expenses flow
c) Real Estate
d) Gross profit
6. _____ funds are a relatively new approach to retirement investing.
a) Goal based
b) Optimal
c) Life-cycle
d) None of the above
7. Health Insurance premium provide tax exemption under section _____ Income Tax.
a) 80 A
b) 80 C
c) 80 D
d) 80 G

8. _____ applies to debt investment such as bonds.
 - a) Debit risk
 - b) Planned risk
 - c) Currency risk
 - d) Credit risk

9. _____ insurance principle means both the insured and the insurer should have faith in each other.
 - a) Principle of Indemnity
 - b) Principle of utmost good faith
 - c) Principle of contribution
 - d) Principle of sharing

10. The yield curve is _____ when yield of all maturities are close to one another.
 - a) Downward-sloping
 - b) Humped
 - c) Upward sloping
 - d) Flat

- b) State whether the following statements are true or false: (any 7) (07)
 1. CAGR return is same as Holding period return.
 2. Estate planning is concerned with ensuring adequate coverage against insurable risks.
 3. Net worth = Assets + Liabilities.
 4. Wealth management is a one-time solution to achieving financial goals.
 5. Longevity risk is the risk of outliving your savings.
 6. Ratio analysis is an important technique of financial statement analysis.
 7. Subrogation is principle, which applied to all contracts of indemnity.
 8. Equity risk applies to an investment in shares.
 9. If the interest rate goes up, the market value of bonds will decrease.
 10. Passive management strategies are tax efficient.

Q2.

- a) Explain the characteristics of Insurance. (08)
- b) What is estate planning? What are the tools of estate planning? (07)

OR

- c) Find out the net taxable income of Mr. Krishnam for AY 2025-26 applying the provisions of set off and carry forward of losses. (15)

Particulars	Amount
Income from Salary	2,20,000
Income from House Property:	
Loss from Parel house	(1,00,000)
Income from Dadar house	50,000
Income from Juhu house	30,000
Income from business:	
Business I (speculative)	40,000
Business II (non-speculative)	75,000
Business III (non-speculative)	(25,000)
Income from capital gain:	
Income from long term capital gains	60,000
Short term capital loss	(45,000)
Income from other sources:	
Interest on debentures	5,000
Interest on Bank fixed deposits	20,000

Additional information:

- Rs. 1,500/- spent on collection towards interest on debenture (Allowed under section 57 as expenditure).
- Carry forward speculative business losses – Rs. 55,000/- (AY-2022-23)
- Carry forward long-term capital losses – Rs. 70,000/- (AY-2021-22)

Q3.

- Explain the requirement of goal-based financial planning and its advantages. (08)
- Describe wealth management process. (07)

OR

- c) Mr. Kantilal purchased a house property for Rs. 18,00,000 on 1st June, 1993. He incurred expenses of Rs. 6,50,000 in financial year 1998-99 and Rs. 8,70,000 in the financial year 2006-07. (08)
- The fair market value of the property on 1st April, 2001 was Rs. 27,00,000. He sold the property on 1st October, 2022 for Rs. 1,75,00,000. Brokerage of Rs. 1,50,000 was incurred on sale transaction. He purchased a new residential house on 1st January, 2023 for Rs. 13,00,000.
- Cost inflation index: 2001-02 = 100, 2006-07 = 122, 2022-23 = 331. Calculate capital gain for the year 2022-23.

- d) Following is the Balance sheet of Poly ltd. for the year ended 31st March 2023 (07)

Liabilities	Amount	Assets	Amount
Equity Share	500,000	Fixed Assets	13,00,000
9% Preference Share	300,000	Investments	400,000
Security Premium	25,000	Stock	850,000
P&L	740,000	Sundry Debtors	500,000
10% Debenture	750,000	Prepaid expenses	40,000
Sundry Creditor	230,000	Advance Income Tax	78,000
Bank Overdraft	395,000	Cash and Bank Balance	62,000
Prov. For Taxation	180,000	Shares Issue Expenses	10,000
Proposed Equity Dividend	150,000	Preliminary Expenses	30,000
Total	32,70,000		32,70,000

You are required to calculate:

- Acid Test Ratio
- Current Ratio
- Debt Equity Ratio
- Capital Gearing Ratio

Q4.

- What are the avoidable mistakes in retirement planning? (08)
- Explain the type of investment risk. (07)

OR

- Mr. Shantam age 55 years provided the following information: (08)
 - Income from business Rs. 600,000
 - Income from capital gain Rs. 450,000
 - LIC Premium paid for self Rs. 70,000 (Sum assured Rs. 300,000)
 - Medical premium on self-policy Rs. 24,000 and for dependant parent Rs. 16,000.
 - Contribution to Provident Fund Rs. 50,000
 Compute Net Taxable Income for the AY 2023-24.
- Assuming the total tax liability of Mr. Kamath after Health and education cess is Rs. 70,000/- and TDS is Rs. 2000/-. Calculate the advance tax payable on respective due dates. (07)

Q5.

- Explain types of Annuities. (08)
- Which are the financial objectives in Retirement-planning? Explain. (07)

OR

- Write Short Notes on (any 3) (15)
 - Durable power of attorney
 - New Pension Schemes
 - Cash flow analysis
 - TDS
 - Health Insurance
