

E) 14BMS - Sem V

Financial Finance  
Wealth Management

wealth mgt

Q.P. Code : 746601

( 2½ Hours)

[ Total Marks : 75

- N.B. :** 1) All questions are compulsory but subject to internal choice.  
 2) Figures to the right indicate full marks.  
 3) Use of simple calculator is allowed.

Q1 Attempt any two

- A) What is Wealth Management? Explain the need of Wealth Management.  
 B) What are financial goals? Explain the steps in financial planning process.  
 C) Define yield curve and explain the types of yield curve.

(5)

Q2 Attempt any two

- A) Explain the functions of insurance .  
 B) Explain in detail the types of life insurance policies  
 C) Explain the advantages of active investment strategies.

(15)

Q3 Attempt any two

A) Mr. Nayak commenced business on 01<sup>st</sup> April 2015. The balance sheet as on 31<sup>st</sup> March 2016 is as follows:-

(15)

Balance sheet as on 31<sup>st</sup> March 2016

Liabilities	Amount(Rs.)	Assets	Amount(Rs.)
Equity share of Rs. 10 each	4,00,000	Fixed Assets	8,00,000
General reserves	80,000	Stock in trade	2,20,000
Profit and Loss A/c	8,000	Debtors	2,20,000
Mortgage Loan	3,20,000	Cash and Bank balance	20,000
Bank overdraft	92,000		
Creditors	3,60,000		
	<b>12,60,000</b>		<b>12,60,000</b>

Calculate:

- a. Debt ratio  
 b. Debt Equity ratio  
 c. Quick ratio  
 Current Ratio

TURN OVER

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B) On December 10<sup>th</sup> 2015, Mr. Pande sold gold for Rs. 4, 12,000 (cost of acquisition on February 20, 1994 Rs. 1,04,000). Expenses on purchase and transfer are Rs. 1,100 and 2,000 respectively. Find out the amount of capital gains, if any for the assessment year 2016-17.

(Indexed values for the financial year 2014-15 Rs.1024, 2015-16 Rs.1081, 1993-94 Rs.244)

•C) Write a short note on Net Worth.

Q4 Attempt any two

(15)

A) Mr. Sanjay aged 45 years furnished the following information:

- a. Income from Capital Gains Rs. 2,00,000
- b. Income from textile business Rs. 3,45,000
- c. LIC premium self Rs. 35,000 p.a. (Sum assured Rs.1,50,000)
- d. Mediclaim premium of self policy Rs. 18,000
- e. PF Contribution Rs.5,000

Compute the net taxable income and tax liability for AY 2016-17

B) Write a short note on the life cycle planning

C) What are the factors affecting wealth creation?

Q.5 Mr. Prakash is a chief executive of a Multinational Wealth Management consultancy firm and also head of Marketing and Clients' support Department. A prospective investor with net surplus of Rs.10 crores visits his office for seeking his advice and engaging his services for investing the surplus. What plans Mr. Prakash can suggest to this client assuming that:

(15)

- a. The client is a senior citizen and retired from private sector employment.
- b. The client is a middle aged housewife and also working on part time basis for NGO.
- c. The client is a middle aged Central Government Employee.

Please suggest the plans separately for all these types of investors.