

SEMESTER-VII

COURSE 17: FINANCIAL PLANNING

Theory

Credits: 4

4 hrs/week

Course objective:

To enable the student to understand various components of financial planning and to get more rewards using risk return trade off.

Learning outcomes:

- To learn about personal financial planning, concept of time value of money
- Identifying and gain knowledge of different risks and their measurement
- Familiarize investment strategies
- Evaluation of problems regarding retirement planning also know the key terms
- Gain knowledge of income tax heads and differentiate the income into different heads.

Syllabus:

Unit 1: Basics of Personal Financial Planning:

Definition, Importance and process of financial planning, Concept of time value of money in single and series.

Unit 2: Managing Investment Risk:

Types of risks, measurement and management of risks and financial statements. **Measuring Investment Returns:** Risk and Return trade-off, Short term and long term capital Gains. Choosing the various source of credit and credit alternatives.

Unit 3: Investment Strategies:

Various Strategies and asset allocation .Evaluating investment in various stocks and Various Loans and their usage.

Unit 4: Retirement Planning:

Process, Annuities and its types, Asset allocation & diversification and concept of mortgage and its types-Reverse mortgage.

Unit 5: Tax and Estate Planning:

Various heads of incomes, Exemptions in Income tax applicable to various categories. Concept of wealth Tax. Estate Planning need and creation of Will and various formats.

Practical components:

- Students should learn the process of financial planning, concept of time value of money in single and series.
- All the students should learn the types of risks and how to measuring the investment returns.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should make teams should discuss investment strategies in the present environment.
- Students should analyse the retirement planning.

Reference Books:

1. Workbook of CPFA of NSE in Indian version is available On the following link:
http://nseindia.com/content/ncfm/ncfm_cpfa_workbook.pdf.
2. Jack R Kapoor, Les R Dlabay, Robert J Hughes, personal finance , McGraw-Hill/Irwin; Edition 2005.
3. Jeff Madura, Personal Finance with Financial Planning Software Addison Wesley; Edition 2006.
4. Joehnk, Gitman, Personal Finance A User's Perspective, Cengage Learning, Edition 2009.