

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

END Semester Examination May-2024

Course: Wealthy Management

Program: INT. B.COM - MBA

Course code: FINC3058

Instructions: Attempt all Questions

Semester: VI

Time: 3 Hours

Max. Marks: 100

Q1 SECTION A (Objective, True/ False) (10 * 2 Marks Each) - 20 Marks)

A	You save Rs 6000 a month for 14 years, how much these savings will grow if rate of return on investments is 14.5% p.a. Rs.33.42 lakh b) Rs.33.79 lakh c) Rs.34.78 lakh d) Rs.32.76 lakh e) None of the above	CO1	2
B	What is financial literacy?	CO1	2
C	What is Asset Allocation? a) Asset Allocation is division of assets in cash and debt investments b) Asset Allocation is the allocation of distributable assets c) Asset Allocation is investment in different asset classes d) Asset Allocation is allocation of money in different sectors e) Asset Allocation is guided by distribution of assets to next generation	CO1	2
D	Same asset cannot held for the purpose of investment & speculation.	CO1	2
E	Asset allocation strategies is guided by a) Portfolio diversification b) Client's risk profile c) Objectives of the client d) All of the above	CO1	2
F	All feasible portfolios are efficient.	CO1	2
G	Financial planning activities involve: a) Tax management. b) Asset allocation. c) Equity selection. d) Keeping track of dividends received on securities	CO1	2
H	In times of inflation, equity is better investment than bonds.	CO1	2
I	Financial goals do not include a) Buying a home b) Earning the maximum return c) Planning for retirement d) Saving for child's education	CO1	2
J	Investors are Risk Seekers.	CO1	2

SECTION B

(4* 5 Marks Each -20 Marks)

Q2.	What is financial Planning? Mention briefly the steps to create financial plan for retirement	CO2	5
Q3.	What is the best option for growing my wealth with minimum investment?	CO2	5
Q4.	Market interest rates and debenture prices are inversely related. Comment	CO2	5
Q5.	What do you mean by insider trading? Who is an insider as per SEBI regulations?	CO2	5

SECTION-C

(3* 10 Marks Each- 30 Marks)

Q6	<p>Following information is available in respect of three mutual funds schemes.</p> <table border="1"> <thead> <tr> <th>Mutual Fund</th> <th>Actual Returns %</th> <th>Beta</th> <th>S.D (%)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>15</td> <td>0.7</td> <td>21</td> </tr> <tr> <td>B</td> <td>24</td> <td>1.2</td> <td>30</td> </tr> <tr> <td>B</td> <td>22</td> <td>1.15</td> <td>29</td> </tr> </tbody> </table> <p>The return on market index is 20% and standard deviation of return on market index is 24%. Risk free rate is 6%</p> <p>Calculate Sharpe Ratio, Treynor Ratio & Jensen Alpha for ALL mutual funds and market index and RANK THEM & STATE REMARKS in terms of Under/Out performed the market.</p>	Mutual Fund	Actual Returns %	Beta	S.D (%)	A	15	0.7	21	B	24	1.2	30	B	22	1.15	29	CO3	10
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Q7	<p>You are portfolio management consultant. A middle class investor with investible funds of Rs.25 Lakhs approaches you. He wants to know the following:</p> <ol style="list-style-type: none"> 1. What are the various investment avenues available to him which will give him stable returns with minimum risk? 2. What are the various types of risk he shall face? 	CO3	10																
Q8	<p>Retirement planning is an essential part of financial planning. Explain this statement with respect to the numerical done in the class taking hypothetical figures.</p>	CO3	10																

SECTION-D Attempt any Two

(2* 15 Marks Each- 30 Marks)

Q9	<p>31-year-old Shrine Patel secured a high paying job as an air hostess when she was 22 years old. Securing a fat pay packet at such a young age, intoxicated and she couldn't resist living the high life, splurging on a fancy life style. For many years she put away around 20% of her earnings when she could have easily afforded much higher savings. Advise how to manage wealth for People like choreographers, actors, singers, sports people who have short earning careers.</p>	CO4	15
Q10	<p>Mr. Ashish and Ms. Aarti are both employed and bring in a combined salary of ₹ 1.44 lakhs a month. The couples stay with their infant child in their parent's house in Delhi. Their goals include: •Building an emergency corpus •Taking a vacation (worth of 10 lakhs in 4 years) •Buying a car (worth of Rs. 9 lakhs in another 5 years) •Buying a house (worth of Rs.93.6 lakh in 5 years) •Savings for child's education (worth of Rs.75 lakhs in 17 years) •Their retirement in 28 years, they want 5.1 crore) For Life Insurance, Mr. Ashish have 2 traditional plans worth of ₹ 9.7 lakhs, As for health</p>	CO3 CO4	15

<p>insurance, the couple has a ₹3 lakh family floater plan from the employer. Following is the portfolio of Mr. Ashish and Family: Asset Current Value(₹) cash 15.04 lakh Debt: PPF 6.83 lakh EPF 5.33 lakh NPS 2.27 lakh Insurance 1.4 lakh Fixed Deposit 25000 Equity Mutual Funds 36271 Stocks 14490 Liabilities Nil Cash Flow Income 1.44 lakh Outflow Household expenses Rs. 68,833 Insurance Premium Rs. 4951 Investment Rs. 18856 Total Outflow Rs 92,640</p> <p>Guide them how to invest to achieve their goals?</p>	
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