

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA SEMESTER- IV - EXAMINATION-SUMMER-2024**

**Subject Code: 4549284****Date: 25/04/2024****Subject Name: Financial Planning and Taxation****Time: 10:30 AM TO 01:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

- Q.1** Explain the following terms: **14**
- (a) Retirement Planning
  - (b) Derivatives
  - (c) Tax Liability
  - (d) Systematic Investment Plan (SIP)
  - (e) Time Value of Money (TVM)
  - (f) Financial Planning
  - (g) Gratuity
- Q.2** (a) Explain the various investment schemes for Retirement Planning. **07**
- (b) Explain the Risk and Return framework for investment objectives. **07**
- OR**
- (b) Explain the concept of Public Provident Fund (PPF) and how it works? **07**
- Q.3** (a) What is Mutual Fund? Briefly describe the types of Mutual Funds. State the benefits of investing in mutual funds. **07**
- (b) What are the various investment avenues available for tax deduction under section 80C? **07**
- OR**
- Q.3** (a) What are the different types of residential status? How to determine a residential status of an individual? **07**
- (b) As an investor what are the factors that you will consider before choosing a particular investment. **07**
- Q.4** (a) Explain Financial Planning Process and steps involved in it. **07**
- (b) Give examples of some incomes which are exempted from tax. **07**
- OR**
- Q.4** (a) What is Form 16? Explain its structures and inclusions. **07**
- (b) Financial Planning is essential for everyone, irrespective of age, educational background, employment position and marital status. Effective Financial Planning can lead to one's financial well-being and security in life. Express your opinion on this. **07**
- Q.5** Case Study:

Ashok a 35 year old successful MBA was recently promoted as CFO in very large Pan India company. His salary is Rs. 15 lakh per annum plus substantial bonus to the tune of Rs. 3 lakh per annum. His wife Riddhi was earlier a consultant but now she is a full time mom of one year old daughter Francy. They are devoted towards

their family and live well within their means. Thus they have accumulated a substantial balance to the tune of Rs 20 lakh in their checking account. They have a strong desire that Francy should take up a B. Tech degree from IIT and a MBA. As a family they enjoy every year exploring different locations within the country. Now he is also thinking of buying a big SUV to replace his small car.

For long Ashok was considering making a Personal Financial Plan for his family. His friend who is a Certified Financial Planner insisted that he should have a plan and also should have insurance cover for his life as well as health cover for his family. Moreover he should start accumulating a corpus for his retirement. At present Ashok was not able to take the full benefit of Tax deductions as he had not done Tax planning.

- (a) Right now Ashok has only invested in his Saving Bank account. Suggest some good Investment options to him so as to take advantage of tax deductions as well as getting a good decent return so as to meet his future goal of buying a SUV as well as higher education for Francy. **07**
- (b) Suggest some Good Retirement Planning options that he should take so that he can secure his old age. Also state how much maximum tax deductions he can plan for under different sections. **07**

**OR**

- Q.5**
- (a) Make a list of Short and Long term goals for Ashok which are Smart goals, Approx. current cost, with target dates as well as Priority. **07**
  - (b) Should Ashok have life cover and health insurance for his family? According to his current income and age, how much Insurance cover he should take by thumb rule? How much amount of health insurance premium he should pay for his family so he can take maximum advantage in Income tax deduction? Under which sections should he claim deductions for Life Insurance premium paid as well as Healthcare Insurance premium paid? **07**

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