

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA-SEMESTER-IV-EXAMINATION-WINTER-2024

Subject Code: 1549513**Date: 18/12/2024****Subject Name: Wealth Management****Time: 02:30 PM TO 05:30 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. No.		Marks
Q.1	Explain the terms: (a) Time value of money (b) CAGR (c) Wealth creation (d) Systematic risk and Unsystematic risk (e) Basis point (f) Absolute return (g) Beta	14
Q.2	(a) Explain various steps in determining a unique asset allocation model. (b) Explain the risk and return framework for investment objectives.	07 07
	OR	
	(b) Effective wealth management can lead to one's financial well-being and security in life. Express your opinion on this.	07
Q.3	(a) Explain the Systematic Investment Plan (SIP). What do you understand by Net worth of an Individual. (b) Explain various causes of wealth Erosion in detail.	07 07
	OR	
Q.3	(a) Explain the process of wealth management in detail. (b) Seema is 29 years old and wants to invest some of his excess funds in capital market. If he is a risk taker, which short term techniques are available for speculation purpose?	07 07
Q.4	(a) What is the meaning, scope and component of wealth management? (b) What are Mutual Fund? Broadly describe the types of Mutual funds. State the benefits of investing in mutual funds.	07 07
	OR	
Q.4	(a) Explain two insurance plan which combines life cover and saving with suitable examples. (b) What is the role of wealth manager in making efficient retirement planning?	07 07

Q.5

CASE STUDY:

Atul 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 Meena was earlier a consultant but now she is a full time mom of one year old daughter Nita. 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 Nita 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 Atul was considering to make 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. More over he should start accumulating a corpus for his retirement. At present Atul was not able to take the full benefit of Tax deductions as he had not done Tax planning.

(a) Make a list of Short and Long term goals for Atul which are SMART goals, Approx. current cost, with target dates as well as Priority. **07**

(b) Should Atul 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**

OR

(a) Right now Atul 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 Krishna. **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**
