



BRAINWARE UNIVERSITY

Course – M.Com.

Financial Planning & Wealth Management (MCM 305A)

(Semester – 3)

Time allotted: 3 Hours

Full Marks: 70

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group –A

(Multiple Choice Type Question)

1. Choose the correct alternatives for the following:

10 x 1 = 10

- I. Which of the following is not a strong driver of your Spending & saving habits?
 - a. Your values
 - b. How you were raised
 - c. Your parents traits
 - d. Weather
- II. Personal Financial Statement includes
 - a. Income of the individual
 - b. Monthly consumption expenditure
 - c. Amount proposed to be saved
 - d. All of the above
- III. A bond with no maturity period is known as
 - a. Coupon Bond
 - b. Zero Coupon Bond
 - c. Consol Bond
 - d. Convertible Bond
- IV. What is Opportunity Cost
 - a. Money required to take advantage of an opportunity
 - b. Cost of an alternative foregone to peruse any chance
 - c. Payment for an opportunity
 - d. Cost of opportunities to purchase necessities
- V. Which of the following methods are used to move money out of savings A/C
 - a. A Cheque
 - b. ATM
 - c. Automatic Transfer of Money
 - d. All of the above

- VI. Which one is an example of Progressive Tax
- Property Tax
 - Personal Income Tax
 - VAT
 - All of the above
- VII. IPO is
- Issue of new share
 - Buy back of already issued share
 - Purchase of share from market
 - None of the above
- VIII. Primary & Secondary Market
- Compare with each other
 - Complement each other
 - Function independently
 - Control each other
- IX. Following item is not a Derivative
- T-Bill
 - Option
 - Swaps
 - All of the above
- X. A person has received 15% return on his investment. Inflation Rate is 7%. Real rate of return is
- 7.48
 - 8
 - 2.5
 - 7.84

Group - B

(Short Answer Type Questions)

Answer any three of the following

3 x 5 = 15

- Explain GDR & ADR properly.
- What is Default Risk? In some Bond Investment, it does not exist. Explain when does default risk occurs. [1+4]
- Explain in brief the steps for building your own budget.
- What do you mean by Open ended & Close ended Mutual Fund? Explain them briefly. [2.5+2.5]
- There is an equity share of Rs.100 nominal value. At present Rs.10 dividend is paid. It is growing at 5% per annum. Market average earning per share of same risk category is 7%. What can be the market price of this share?

Group - C
(Long Answer Type Questions)

Answer any three of the following

3 x 15 = 45

7. What is Mutual Fund? Explain its features? How can MF help an individual in his financial planning? [5+5+5]
8. What are the possible areas where a person can invest money to create wealth? Explain them on the basis of risk involved. [7.5+7.5]
9. What is Risk? What are the different insurance policies available to an individual to mitigate the risks? Explain them properly. [3+6+6]
10. In Insurance Contract, entire risk is entrusted on Insurance Company. How Insurance Company can overcome this problem? Explain with appropriate examples. [5+10]
11. Explain with appropriate example, how Gratuity is calculated on retirement of a person from job?