Course Name	**Wealth Management**	Course Code	**FIN504**
Max. Time	**2 hours**	Max. Marks	**40 MM**

INSTRUCTIONS:
1. Attempt all questions.
2. Qs to be attempted on Excel with separate sheet for each Qs.
3. It is a closed book exam.
4. Videos must be kept on. Use of earphones/headphones/phones is prohibited.
5. Any two or more sheets with similar answer will be subjected to unfair means.
6. Excel files to be saved as per your name and roll number.
7. Ensure to upload your excel files on the moodle within the time limit.
8. Do not send your excel sheet by email.

Qs.1 (10 marks)

Mr J K Gupta, who stays in Delhi, has the following sources of income for the financial year 2021-22:
1. Salary CTC
   (a) Basic salary Rs.10,00,000
   (b) House rent allowance (actual rent paid Rs.6,00,000) Rs.4,00,000
   (c) Taxable allowances Rs.6,00,000
   (d) Tax free perks Rs.3,00,000
   (e) Company's contribution to EPF Rs.2,00,000
2. House Property Rs.1,20,000
3. Bank fixed deposit Interest income Rs.1,00,000
4. Interest on saving bank account Rs.10,000
5. Sale of debt mutual fund (Cost inflation index 2014-15 =240, 2021-22 = 317) Rs.1,00,000. Purchase price Rs. 50,000.

He has made following investments/payments in the FY 2021-22
1. Interest on home loan Rs.2,50,000.
2. Principal payment of home loan Rs. 40,000
3. ELSS Rs. 50,000
4. EPF Rs.1,50,000
5. Life insurance premium Rs.50,000
6. Medical insurance Rs.30,000

Solve to determine income tax liability for the AY 2022-23.

Qs.2 (2+2+2+1+3=10 marks)

Rohit is saving for a car and requires Rs. 10 lakhs at the end of five years. He has the option of investing the savings in equity which is expected to give him 15% return or a bank recurring deposit that will give him 8% return.

   (a) Solve to find out how much he should invest every month in equity to accumulate the desired fund.

(b) Solve to find out how much he should invest every month in bank RD to accumulate the desired fund.

(c) If he increases the time to seven years, then solve to know how much he need to invest in equity and bank RD.

(d) Which class of asset as mentioned above, a risk averse investor will prefer to invest in.

(e) If Rohit have Rs1 lakh in equity mutual fund today, which he assigns to this financial goal, then solve to know how much he need to invest every month in equity mutual fund to achieve the reduced financial goal amount.

Qs.3 (7+2+1=10 marks)

Mr Santosh Dave, who stays in Bangalore, has the following sources of income for the financial year 2021-22:

1. Salary CTC
   (a) Basic salary Rs.22 Lakh
   (b) House rent allowance (actual rent paid Rs.6,00,000) Rs.8,00,000
   (c) Taxable allowances Rs.6,00,000
   (d) Tax free perks Rs.3,00,000
   (e) Company's contribution to EPF Rs.2,64,000
2. House Property Rs.5,00,000
3. Bank fixed deposit Interest income Rs.1,00,000
4. Interest on saving bank account Rs. 10,000
5. Sold equity mutual fund on 31st October 21 for Rs1,50,000. Purchased on 1st May 21 for Rs. 1,00,000.

He has a home loan on which he has paid interest Rs2 lakh. His own contribution to EPF and pension is deducted by employer from his salary. He paid Rs30,000 premium on health insurance policy covering him and his spouse.

a) Solve to know income tax liability for AY 2022-23
b) Recommend a plan to minimize his tax liability without increasing CTC
c) Based on b) above, estimate the saving in tax liability.

Qs.4 (10 marks)

Mr Rastogi, aged 37 years, is working with a private firm at Rs.16.5 lakh annual package. His investments are Rs.30 lakhs in FDs, Rs.6 lakhs in PPF, three monthly SIPs of Rs5,000 each (current value Rs.2.5 lakh), life insurance with a yearly premium of Rs.1.2 lakh, Rs.6 lakh health plan and a Rs.1 crore term plan. Monthly expenses are Rs45,000. His financial goals are a land worth Rs.35 lakhs in one year, Rs.30 lakhs for child education in 2030 and retirement corpus of Rs.5 crores after 20 years. Develop a financial plan, which will guide Mr Rastogi in achieving his financial goals.