

# JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA PGDM / PGDM (M) / PGDM (SM)

## FIFTH TRIMESTER (Batch 2023-25)

# END TERM EXAMINATIONS, JANUARY 2025

## REAPPEAR EXAM

Course Name	Wealth Management	Course Code	20232
Max. Time	2 hours	Max. Marks	40 MM

INSTRUCTIONS:

- 1. All questions are compulsory
- 2. It's a closed book exam
- 3. Overall permissible plag is 10%. Penalty clause: 11 20% minus 5 marks, above 20% reappear
- 4. Calculated Values should be entered through a formula and not with the help of fx function
- 5. Qs should be solved below the Answer cell

#### Qs.1 (7 marks)

# CLO 2 and BT Level VI

A client is expected to earn an average of Rs.1,00,000/- per annum for the next 30 years. His personal consumption is Rs.30,000/- per annum. The discount rate is 7%. He has an insurance policy of Rs.2,00,000/-. Estimate the life insurance need using Human Life Value Approach.

#### Qs.2 (8 marks)

#### CLO 3 and BT Level VI

You purchased a residential property in the year 2017-18 for Rs. 20 lacs. You spent Rs. 10 lacs in the year 2020-21 to add a floor to the house. You sold the house in the year 2024-25 for Rs.80 lacs. Cost inflation index for the year 2017-18 is 272. Cost inflation index for the year 2020-21 is 301. Cost inflation index for the year 2024-25 is 363.

Estimate tax on the long-term capital gain both with and without indexation benefit.

#### Qs.3 (15 marks)

#### CLO 3 and BT Level VI

Raj Khanna, aged 30 years, wants to retire at the age of 60 years. His current expenses Rs.6 lakh p.a. includes insurance premium and child education fees of Rs. 1 lakh and Rs.50,000 respectively. The expenses are expected to increase at the rate of 5% p.a. till retirement. On retirement, he would like to indulge in pursuing his hobbies like travelling, which will amount to Rs.5 lakh p.a. after retirement. He has adequate health insurance cover to take care of his medical expenses after retirement. He will draw a pension of Rs.30,000 per month and a rental income of Rs.20,000 per month. The rate of return expected at the time of retirement is 8% p.a..

Estimate how much he should invest on annual basis in an equity mutual fund to build his retirement corpus. The equity mutual fund is expected to give a return of 12% p.a.

#### Qs.4 (10 marks)

#### CLO 3 and BT Level VI

Mr Rastogi, aged 37 years, is working with a private firm at Rs.16.5 lakh annual package. His investments are Rs.30 lakh in FDs, Rs.6 lakh in PPF, three monthly SIPs of Rs.5,000 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 Rs.45,000. His financial goals are a land worth Rs.35 lakh in one year, Rs.30 lakh for child education in 2030 and retirement corpus of Rs.5 crore at the age of 60. Develop a financial plan by making and mentioning your assumptions.