

**PARUL UNIVERSITY**  
**FACULTY OF COMMERCE**  
**B.Com.(Hons) Summer 2017 – 18 Examination**

Semester: 4

Date: 24/05/2018

Subject Code: 16101253

Time: 10.30AM TO 01.00PM

Subject Name: Personal Finance Management

Total Marks: 60

**Instructions:**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1 Do as directed.****A) Answer all the MCQ. (Each of one mark)****(06)**

1. Personal financial management is important because it
  - a) controls inflation
  - b) uses money as an end
  - c) limits consumption
  - d) makes personal financial goals easier to achieve
2. When setting financial goals, one should typically start by setting \_\_\_\_\_
  - a) short-term goals
  - b) Intermediate-term goals
  - c) long-term goals
  - d) a and b
3. A monthly budget is an effective tool that will help you
  - a) Spend a larger share of your earnings now
  - b) Manage your spending and save for the future in order to accumulate wealth
  - c) Keep your transportation costs low by purchasing a new car every two or three years.
  - d) Select stocks that are more likely to increase in value over the long run.
4. When should you begin saving your money?
  - a) Right away
  - b) When you finish high school
  - c) When you reach retirement
  - d) When you are 30
5. Family financial goals should be \_\_\_\_\_
  - a) individually determined
  - b) set once for a lifetime
  - c) reserved for retirement planning
  - d) realistically attainable
6. Sam and Ann are in their late 20s with 3 young children. Their most important financial planning concerns would probably include all of the following except
  - a) employee benefit planning
  - b) savings and investment planning
  - c) retirement and estate planning
  - d) liability and insurance planning

**B) Describe below terms. (Each of one mark)****(06)**

1. Personal Finance Management
2. Money Management
3. Discretionary Income
4. Tax Evasion
5. Insurance
6. Credit

**Q.2 Answer the following. (Each of 04 mark)****(12)**

1. Elaborate the major categories of taxes in brief.
2. What is consumer credit? Why is consumer credit important to our economy?
3. How will you perform a financial check up? Write in brief detail.

**Q.3 Answer the following. (Any Three)****(18)**

1. In your own words, describe the advantages and disadvantages of mutual fund investments.
2. Describe different types of Health Insurance Coverage
3. Which are the factors affecting returns and selection of a saving plan?
4. Why Corporations Issue Common Stock? Explain

**Q.4 Write detailed note. (Any two)****(18)**

1. Financial planning process
2. Plan for Effective Budgeting
3. Home-Buying Process