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| **C:\Users\ADMIN\Desktop\j.png** | **JAIPURIA INSTITUE OF MANAGEMENT, INDORE**  Post Graduate Diploma in Management (Batch 2023-25) |
| **Course Title: Wealth Management (Course Code: 40232)**  **End Term Examination, Term - VI (April 2025)** | |
| **Time Duration: 2 Hours Total Marks: 40** | |

***General Instructions*:**

1. *This is a* **pen-and-paper exam***; answers must be written on the provided answer sheets.*
2. **Soft copy notes are allowed for** *reference during the exam.*
3. **MS Excel can be used to solve numerical problems; however, all final answers and key workings must be transferred to the physical answer sheet***. Excel files are not required to be submitted.*
4. **Internet access** *and generative AI tools (e.g., ChatGPT) are* **strictly prohibited***.*
5. *Ensure your answers are concise and presented well.*
6. *Do not write anything on the question paper except your roll number.*
7. *Make suitable assumptions, if needed.*

***Q1)*** Ritika, a 24-year-old management graduate from Jaipuria Institute of Management, has just landed her first job at a top MNC with an annual CTC of ₹12 lakh. She has recently relocated to a metro city and is struggling to plan her finances amidst lifestyle expenses, high rent, and career aspirations.  
She aspires to travel annually, buy a car in two years, and purchase her own home within seven years. However, she is unsure how to plan her taxes and whether she needs insurance.

***(7 Marks)***

a. As a certified wealth planner, ***outline*** how a structured wealth management process could guide Ritika’s financial transition from student to working professional. **(4 marks)**

b. Based on her profile, ***explain*** three immediate actions you would recommend instilling financial discipline early in her career. **(3 marks)**

**Q2)** Raj (age 36), based in Hyderabad, earns ₹24 lakh annually. His current investments include ₹8 lakh in PPF, ₹15 lakh in equity mutual funds, and ₹1.30 crore in a residential property on which the outstanding home loan is ₹ 85 lakhs. He wants to plan for:

- Child’s higher education in 10 years (today’s cost: ₹25 lakh)  
- Retirement corpus of ₹5 crore in 24 years

The current CPI index can be assumed as the benchmark for inflation. ***(7 Marks)***  
  
a. ***Appraise and recommend*** an appropriate asset allocation strategy considering risk-return trade-offs. **(4 marks)**  
b. ***Assess*** whether Raj’s current portfolio aligns with his goals. Suggest two corrective actions if needed. **(3 marks)**

**Q3)** Meena, aged 40, spends ₹25 lakh per annum on family expenses. She plans to retire at 60 and has a life expectancy of 80. She has no liabilities and owns investments worth ₹40 lakhs.

***(6 Marks)***

a. ***Determine*** the life insurance requirement using the Human Life Value approach (assume the nominal discount rate of a hybrid mutual fund of 12% as the benchmark). **(3 marks)**

b. ***Estimate*** the expense-based life cover she would need, assuming post-retirement expenses will be 80% of the current expenses per annum. The calculations should be based on real returns, assuming the CPI index is 7%. **(3 marks)**

**Q4)** You are advising a 58-year-old client with the following current savings:

-₹70 lakh retirement corpus saved in PPF

- ₹20 lakh invested in equity mutual funds (aggressive allocation)

- ₹10 lakh in EPF (matures in 2 years)

- ₹1.5 crore in a real estate property that generates ₹3.6 lakh annual rent

- ₹5 lakh cash in savings account

The client is considering early retirement next year and wants to:

1. Secure monthly income of ₹1,00,000 post-retirement
2. Avoid high volatility or liquidity issues
3. Minimize tax burden

***Evaluate*** the gaps in the current portfolio and develop a tax-efficient, inflation-protected income strategy for the next 20 years. Justify your approach with risk-return trade-offs. ***(7 Marks)***

**Q5)** Amit is a 34-year-old Bengaluru-based IT professional. His annual gross income is ₹30 lakhs. His deductions include:

- ₹1.7 lakhs in PPF, ₹ 3 Lakhs in ELSS Mutual Funds and ₹ 2 Lakhs in repayment of principal on home loan

- ₹40,000 Mediclaim policy for self and spouse

- ₹5 lakh interest on home loan ***(5 Marks)***

***Compare*** tax liability under the old vs new regime for FY 2024–25 and justify which option is more beneficial.

**Q6)** Shweta (age 33) and Arjun (age 35) earn ₹2.2 lakh/month combined. Their financial goals are:

- Buy a home worth ₹1.25 crores in 5 years  
- Save ₹30 lakh for their child’s education in 12 years  
- Accumulate ₹6 crore for retirement  
They currently invest ₹30,000/month in mutual funds and hold ₹12 lakh in financial assets.  
  
***Formulate*** a comprehensive financial plan covering the following:  
- Goal prioritisation  
- Investment strategy with asset allocation  
- Insurance planning  
- Product recommendations ***(8 Marks)***