

K L University
Department of Management
Course Handout for 2nd Year B. Tech PROGRAM
A.Y.2017-18, 4th Semester

Course Name : Managing Personal Finance
Course Code : 15MB3053
L-T-P structure : 3 0 0
Course Credits : 3
Course Coordinator : Jakeer Hussain Shaik, Assistant Professor (KLUBS)
Course Instructor : Dr.K.Madhava rao, Assistant Professor
 Dr.M.Jagadeesha, Associate professor
Course Teaching Associates : Nil

Course Objective:

To understand the framework and tools for preparing personal financial plans that serve as road maps for goal achievement.
 To analyze major financial planning issues and problems for effective money management.
 To develop their own personal financial plans.

Course Rationale:

The main purpose of this course is to enable the student to understand, Analyze the basic concepts of money management, tax planning, housing and other consumer decisions, insurance, investment planning etc.

Course Outcomes (CO):

CO No:	CO	SO	BTL
1.	Understand the need for effective financial planning	a, b	2
2.	Understand tax planning strategies to meet the Personal Financial goals.	b, c	2
3.	Evaluate strategies adopted for Home, Automobile, Equity and Bond investments.	b, c	5
4.	Evaluate various financial tax saving schemes such as insurance and mutual funds.	a, c	5

COURSE OUTCOME INDICATORS:

CO No.	COI-1	COI-2	COI-3
1	Understand importance of time value of money and Calculate and interpret the time value of money.	Understand the role of various financial statements and budgets in planning.	Using budgets students can compare the planned ones with actuals in order to understand the deviations and reasons for deviations
2	Understand the different types of Tax Returns and discusses the recent changes in taxation.	Understand transactions that can be arranged legally to minimize a tax liability.	Understand the options available to individuals under various heads of income tax.
3	Understand the Home, Automobile buying process and Basics of investments.	Analyze the Risk and Return of various investments such as Bonds and Equity.	Evaluate the Risk and Return of various investments and Home and Automobile buying.
4	Understand various insurance schemes	Analyze the Insurance and mutual fund	Evaluate the Risk and Return of

	and mutual funds in India.	products in India.	various mutual fund investments and Insurance products in India.
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SYLLABUS (As approved by BoS):

Financial planning process: Introduction-Importance of Financial Planning- Process of financial planning -The planning environment-Determinants of personal income- Financial statements and plans-Concept of Time value of money - Preparing a personal balance sheet - Preparing the income and expense statement-Using personal financial statements - Ratio Analysis.

Managing Taxes: Introduction-Importance of tax planning-Basic concepts of income tax - Personal taxation -Income tax benefits on certain long term investments -Tax planning-Ethical consideration in tax planning.

Making decisions regarding houses and automobiles:- Meeting housing needs-The rental option - The home buying process - Financing the housing transaction - Housing finance institutions in India - Housing schemes in India- Automobile purchase planning.

Planning for Investments:- Types of investment vehicles-Factors considered in the choice of investments- Developing the investment strategy-Investing in Equities- Investment Process- Investing in Fixed Income Securities- Bond Market-Bond Investing Strategies-Types of Bonds-Bond Returns- Risks from Investing in Bonds

Insurance & Mutual Funds:-Insurance planning - Buying a life insurance - Life insurance products in India- Health Insurance-Need-Types and Sources of health care plans-Providers of Health care-Long term care insurance-Disability income insurance-Health Insurance in India; Mutual funds – Types of mutual fund products – Objectives of investing in Mutual funds.

BOS Approved Text books:

1. Jack R Kapoor, "Personal Finance" Mc Graw Hill Publications, New Delhi, 2008.
2. KC Mishra and Steward Doss, "Basics of Personal Financial Planning" Cengage Learning, First Edition 2009.

BOS Approved Reference Books:

1. Joehnk, Billingsley and Gitman "Planning Your Personal Finances" Cengage Learning India Private Limited, Delhi, 2012.
2. Mark Hirschev and John Nofsinger "Investments Analysis" and Behavior" Mc Graw Hill Publications, New Delhi, 2008.

COURSE DELIVERY PLAN:

Sess. No.	CO	COI	Topic (s)	Teaching-Learning Methods	Evaluation Components
1	1	1	Financial Planning meaning, Significance and Planning Environment	Lecture, Discussion	Test-1,End Exam
2	1	2	Preparing personal financial Statements and Time value of Money	Lecture, Discussion	Test-1,End Exam
3	1	3	Ratio Analysis	Lecture, Discussion	Test-1,End Exam
4	1	2	Case study	Lecture, Discussion	Test-1,End Exam
5	1	3	Case study	Lecture, Discussion	Test-1,End Exam
6	2	1	Tax Planning and Ethics in Taxation	Lecture, Discussion	Test-2,End Exam
7	2	1	Income tax fundamentals	Lecture, Discussion	Test-2,End Exam
8	2	2	Tax planning strategies for employee	Lecture, Discussion	Test-2,End Exam

9	2	2	Tax planning strategies for House property	Lecture, Discussion	Test-2,End Exam
10	2	2	Tax planning strategies for Long term investments	Lecture, Discussion	Test-2,End Exam
11	2	3	Case study	Lecture, Discussion	Test-2,End Exam
12	2	3	Case study	Lecture, Discussion	Test-2,End Exam
13	3	1	Purchase or rent a house and Home buying Process	Lecture, Discussion	Test-3,End Exam
14	3	1	Housing schemes and Housing finance institutions in India	Lecture, Discussion	Test-3,End Exam
15	3	3	Automobile purchase Planning- rental or buying	Lecture, Discussion	Test-3,End Exam
16	3	3	Case study	Lecture, Discussion	Test-3,End Exam
17	3	1	Types of investment vehicles and factors considered in the choice of investments	Lecture, Discussion	Test-3,End Exam
18	3	2	Fundamentals of Equity Investment and Valuation of equities.	Lecture, Discussion	Test-3,End Exam
19	3	2	Risk and return on fixed income securities and Ratings of different agencies	Lecture, Discussion	Test-3,End Exam
20	3	3	Case study - Equity and Bond investment	Lecture, Discussion	Test-3,End Exam
21	4	1	Buying a Life insurance and Life insurance products in India	Lecture, Discussion	End Exam
22	4	2	Health, Disability and Long term care insurance	Lecture, Discussion	End Exam
23	4	2	Buying Life insurance- financial planning with Annuities.	Lecture, Discussion	End Exam
24	4	3	Tax Planning via Insurance.	Lecture, Discussion	End Exam
25	4	1	Fundamentals of Mutual funds and various types of mutual fund products in India.	Lecture, Discussion	End Exam
26	4	3	Case Study	Lecture, Discussion	End Exam

Session wise Teaching – Learning Plan

SESSION 1:

1. Recognize the necessity of Financial Planning.
2. Understanding of Financial Planning - significance and planning environment.

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		
10	Course rationale and objectives		PPT
25	Financial Planning - Significance	2	PPT
10	Discussion		Discussion
25	Planning Environment	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 2:

1. Understand financial Statements and time value of money
2. Recognize the importance of preparing personal financial Statements

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT

30	Preparing personal financial Statements	2	PPT
10	Discussion		Discussion
30	Time value of Money	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 3:

1. Understand the Importance of Financial statement analysis
2. Interpret the Ratio analysis

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Importance of Financial statement analysis	2	PPT
10	Discussion		Discussion
30	Ratio Analysis	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 4:

1. Understand the case study
2. Illustrate the important issues in case study

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Case study	2	PPT
10	Discussion		Discussion
30	Case study	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 5:

1. Understand the case study
2. Illustrate the important issues in case study

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Case study	2	PPT
10	Discussion		Discussion
30	Case study	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 6:

1. Understand the different tax saving methods
2. Demonstrate the ethics in terms of paying taxation

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Tax Planning	2	PPT
10	Discussion		Discussion
30	Ethics in Taxation	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 7:

1. Understand the basic concepts of income tax
2. Find the residential status of individual as per income tax act.

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Income tax fundamentals	2	PPT
10	Discussion		Discussion
30	Residential status	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 8:

1. Understand the provisions relating to salaries
2. Model the tax planning strategies for employee

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Income from salaries	2	PPT
10	Discussion		Discussion
30	Tax planning strategies for employee	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 9:

1. Understand the provisions relating to house property
2. Model the tax planning strategies for house property

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Income from House property	2	PPT
10	Discussion		Discussion
30	Tax planning strategies for House property	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 10:

1. Understand the provisions relating to capital gains
2. Model the tax planning strategies for capital gains

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Income from capital gains	2	PPT
10	Discussion		Discussion
30	Tax planning strategies for Long term investments	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 11:

1. Understand the case study
2. Analyze the case study and evaluate the findings.

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Case study	2	PPT
10	Discussion		Discussion
30	Case study	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 12:

1. Understand the case study
2. Analyze the case study and evaluate the findings.

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Case study	2	PPT
10	Discussion		Discussion
30	Case study	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 13:

1. Understand the purchase or rent a house
2. Understand the home buying Process

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Purchase or rent a house	2	PPT
10	Discussion		Discussion
30	Home buying Process	2	PPT

10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 14:

1. Understand the Housing schemes in India
2. Understand the Housing finance institutions in India

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Housing schemes in India	2	PPT
10	Discussion		Discussion
30	Housing finance institutions in India	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 15:

1. Evaluate the automobile purchase Planning- rental or buying
2. Evaluate the Automobile buying process

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Automobile purchase Planning- rental or buying	5	PPT
10	Discussion		Discussion
30	Automobile buying process	5	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 16:

1. Understand the case study
2. Analyze the case study and evaluate the findings.

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Case study	4	PPT
10	Discussion		Discussion
30	Case study	4	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 17:

1. Understand the various types of investment vehicles
2. Understand the factors considered in the choice of investments

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Types of investment vehicles	2	PPT
10	Discussion		Discussion
30	Factors considered in the choice of investments	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 18:

1. Understand the fundamentals of Equity Investment
2. Analyze the equity valuations

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Fundamentals of Equity Investment	4	PPT
10	Discussion		Discussion
30	Valuation of equities.	4	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 19:

1. Analyze the Risk and return on fixed income securities
2. Analyze ratings of different agencies

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Risk and return on fixed income securities	4	PPT
10	Discussion		Discussion
30	Ratings of different agencies	4	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 20:

1. Understand the case study
2. Analyze the case study and evaluate the findings.

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Case study - Equity investment	4	PPT
10	Discussion		Discussion
30	Case study - Bond investment	4	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 21:

1. Understand the life insurance policies
2. Understand the Life insurance products in India

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Buying a Life insurance	2	PPT
10	Discussion		Discussion
30	Life insurance products in India	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 22:

1. Understand the Health insurance schemes
2. Analyze various schemes of Disability and Long term care insurance

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Health insurance	4	PPT
10	Discussion		Discussion
30	Disability and Long term care insurance	4	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 23:

1. Understand the importance of annuities
2. Analyze the Life insurance with Annuities.

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Annuities.	4	PPT
10	Discussion		Discussion
30	Life insurance- financial planning with Annuities.	4	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 24:

1. Understand the Insurance related deductions
2. Evaluate schemes relating to tax planning via insurance

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Insurance related deductions (section 80C to 80U)	5	PPT
10	Discussion		Discussion
30	Tax Planning via Insurance.	5	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 25:

1. Understand the fundamentals of mutual funds
2. Explain various types of mutual fund products in India

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Fundamentals of Mutual funds	2	PPT
10	Discussion		Discussion
30	Various types of mutual fund products in India.	2	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

SESSION 26:

1. Understand the case study
2. Analyze the case study and evaluate the findings.

Time in Minutes	Topic	BTL	Teaching – Learning Method
10	Introduction		PPT
30	Case Study	4	PPT
10	Discussion		Discussion
30	Case Study	4	PPT
10	Discussion		Discussion
10	Conclusion & Summary		-----

Evaluation Component	Weightage/ Marks	Date	Duration (Hours)	CO 1			CO 2			CO 3			CO 4			
COI Number				1	2	3	1	2	3	1	2	3	1	2	3	
BTL				2	2	2	2	2	2	2	4	5	2	4	5	
Test 1	Weightage (15%)		One hour thirty Minutes	5%	5%	5%										
	Max Marks (30)			10	10	10										
Test 2	Weightage (15%)		One hour thirty Minutes				5%	5%	5%							
	Max Marks (30)						10	10	10							
Active Learning	Weightage (15%)	Continuous				2%			3%			5%			5%	
	Max Marks (15)					2			3			5			5	
Attendance	Weightage (5%)	Equal weightage for all the lecture sessions (5%)														
Semester End Exam	Weightage (50%)	Three hours		4%	4%	4%	4%	4%	4%	4%	4%	5%	4%	4%	5%	
	Max Marks (50)			4	4	4	4	4	4	4	4	4	5	4	4	5
	Question Number			1			2			3			4-5			

Course Team members, Chamber Consultation Hours and Chamber Venue details:

S.No.	Name of Faculty	Chamber Consultation Day(s)	Chamber Consultation Timings for each day	Chamber Consultation Room No:	Signature of Course faculty
1	Jakeer Hussain Shaik	Wednesday	4 -5pm	New library building 4 th floor	
2	Dr.K.Madhava rao	Wednesday	4 -5pm	New library building 4 th floor	
3	Dr.M.Jagadeesha	Wednesday	4 -5pm	New library building 4 th floor	

Signature of COURSE COORDINATOR:



Hari Kiran Vege,

Recommended by HEAD OF DEPARTMENT:

Assoc. Dean-TLP
for **Approved By: DEAN-ACADEMICS**

(Sign with Office Seal)

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