T/K/TY

Reg. No: 24BCA0283

VIT
Vellore Institute of Technology

Final Assessment Test – November 2025

Course: UHUM101L - Personal Finance

Class NBR(s): 3554 / 3555 / 4873

Slot: B2+TB2

Time: Three Hours

Max. Marks: 100

- KEEPING MOBILE PHONE/ANY ELECTRONIC GADGETS, EVEN IN 'OFF' POSITION IS TREATED AS EXAM MALPRACTICE
- DON'T WRITE ANYTHING ON THE QUESTION PAPER

COs	CO Statements
CO1	Describe, outline the meaning and relevance of financial planning.
CO2	Identify the need for career planning and financial services.
CO3	Examine the concept of personal tax planning.
CO4	Explain the concept of investment planning and its methods.
CO5	Analyze insurance planning and its relevance.
CO6	Demonstrate personal financial advisory skills.

BL – Blooms Taxonomy Level (1 – Remember, 2 – Understand, 3 – Apply, 4 – Analyse, 5 – Evaluate, 6 – Create)

Answer ALL Questions
(10 X 10 = 100 Marks)

1. Describe the six fundamental stages in building an effective personal financial plan. For each stage, illustrate how an individual—such as a recent university graduate aiming to buy a car within three years—could apply these steps to achieve their financial goals. **CO1 BL2**

2. Identify and explain the four distinct phases of the business cycle. For each phase—expansion, peak, contraction, and trough—describe the typical economic indicators and behaviors, such as changes in employment levels, consumer confidence, and inflation rates. **CO2 BL2**

3. A customer buys a smartphone worth ₹75,000 online. Identify the indirect taxes involved (such as GST or customs duty) and explain how these taxes impact the final consumer price. Briefly compare indirect and direct taxes, and assess whether GST has simplified taxation in India. **CO3 BL1**

4. Vikram wants to buy an electric scooter costing ₹2,00,000. He can either take a loan at 10% interest for 3 years or use his mutual fund savings earning 7% returns. As a financial planner, analyze which option is financially better with suitable reasoning and calculations. **CO2 BL2**

5. Examine the importance of emergency funds and insurance in achieving financial stability. **CO5 BL2**

6.	Explain the relationship between risk and return in investment decisions, using suitable examples.	CO4	BL2
7.	Compare the Employee Provident Fund (EPF) and Atal Pension Yojana (APY) in terms of features and target users.	CO6	BL1
8.	Critically assess how Fintech innovations (like robo-advisors, UPI and AI-driven portfolio management tools) are reshaping personal financial planning in India. Discuss both the opportunities and potential privacy or dependency risks involved.	CO4	BL2
9.a)	Define Modern Portfolio Theory (MPT) and explain how diversification reduces investment risk.	CO4	BL2
	OR		
9.b)	Describe the role of mutual funds and Systematic Investment Plans (SIPs) in building wealth.	CO4	BL2
10.a)	Discuss the significance of health insurance in personal financial planning.	CO5	BL2
	OR		
10.b)	What are common exclusions in health insurance policies? Suggest how add-ons or riders help overcome these exclusions.	CO5	BL2

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