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JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

T2 EXAMINATION- October 2018

B.Tech Semester 7

COURSE CODE: 10B1WPD737

MAX. MARKS: 25

COURSE NAME: FINANCIAL PLANNING

COURSE CREDITS: 3

MAX. TIME: 1.5 hrs

Note: All questions are compulsory. Carrying of mobile phone during examinations will be treated as case of unfair means.

1. Distinguish between the following: (5 marks) (CO1, CO2)
 - a. Savings bank account in a commercial bank and in a payment bank.
 - b. Recurring Deposit Account vs Fixed Deposit.
2. How safe is your money in bank accounts? (4 Marks) (CO2)
3. Compare the cost of buying a new car to leasing the same car? (3 marks) (CO3)
4. Aditya is 20 years old and is getting a monthly scholarship of Rs. 20,000. He has Rs. 100000 in his savings account at the bank and spends his money wisely. He is trying to decide whether to apply for a credit card or a debit card. Considering the benefits and drawbacks of each type of card, what advice would you have for Aditya? (3 marks) (CO2, CO3)
5. You want to invest Rs. 10000 for a period of 12 years in one of the following:
 - a. A fixed deposit compounded annually at 7% rate of interest.
 - b. A fixed deposit compounded monthly at 6.8% rate of interest.Which one will you choose and why? (3 marks) (CO3)
6. Tanya is a single woman in her early thirties. She is currently residing in a rented apartment in a posh area of Pune for Rs. 20,000 a month. After much thought she's seriously considering buying a 2BHK in outskirts of Pune for Rs. 50, 00,000. She intends to put 20% down payment and finance the remaining at 7% p.a. for 15 year mortgage. She has a monthly income of Rs. 1,00,000. (5+2= 7 marks) (CO2, CO3)
 - a. Given the information, evaluate and compare Tanya's alternative of remaining in an apartment or purchasing the 2BHK.
 - b. Discuss any other factors that would be considered when making a rent-or-buy decision.