

Dr. Sakshi Khanna

JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT
T2 EXAMINATION- October 2018

B.Tech Semester 7

COURSE CODE: 10B1WPD737

COURSE NAME: FINANCIAL PLANNING

COURSE CREDITS: 3

MAX. MARKS: 25

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. Explain in brief: (5 marks) (CO1, CO2)
 - a. T- bills.
 - b. Mutual funds.
2. How much would I have to deposit in an account today that pays 12% interest (annually), which is compounded quarterly, so that I have a balance of Rs. 20,000 in the account at the end of 10 years? (3 marks) (CO3)
3. Describe the reasons for using credit cards and identify its benefits as well as problems. (4 marks) (CO2)
4. After graduating from college last fall, Janet realized that she should begin establishing her own credit history. Describe for Janet several steps she could take to begin building a strong credit record. Does the fact that she took an education loan help or hurt her credit record? (4 marks) (CO2, CO3)
5. What are some basic purchasing guidelines that you should consider when choosing which new car to buy? (4 marks) (CO1, CO2)
6. Rohit is currently earning Rs. 2,00,000 per month and has rented an apartment for Rs. 25000 per month, which increases by 10% each year. He has recently found a house which he can buy for Rs. 1,00,00,000. He has cash for 20% down payment. The remaining is financed by his bank at 9% per year for a period of 30-year. Evaluate and compare Rohit's alternative of remaining in the rented apartment or purchasing the house. Would it make any difference if he is already making a monthly installment of Rs. 20,000 on a car loan (will continue to pay for the next 5 years). (5 marks) (CO2, CO3)