



Roll No.....

End Semester Examination, December 2024
MBA/MBA (Digital Marketing) – Semester III
TAXATION AND FINANCIAL PLANNING (MCSP725)

Time: 2.5 hrs.

Max Marks: **50**

Note: *All Questions are compulsory. Marks are indicated against each question.*

PART-A

Q.1 Attempt Any Five Questions

2x5

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|--|-----------------------|
| (a) List out the investments with high liquidity. | [CO-1] [L-1] 2 |
| (b) Give examples of long-term financial goals. | [CO-1] [L-2] 2 |
| (c) Explain the primary uses of the Debt-to-Income Ratio. | [CO-1] [L-3] 2 |
| (d) Define the term "Investment Portfolio" and its role in financial planning. | [CO-1] [L-4] 2 |
| (e) Define Liquid Assets | [CO-1] [L-5] 2 |
| (f) What factors should be considered when setting financial goals? | [CO-1] [L-3] 2 |
| (g) How does inflation impact financial planning? | [CO-1] [L-4] 2 |

PART-B

Attempt All Questions

- Q.2** How would you apply the Time Value of Money concept to decide between a lump sum payment and an annuity? [CO-2] [L-2] **10**

OR

Pankaj, a 30-year-old professional, wants to ensure a comfortable retirement. He plans to retire at 60 and has set a retirement savings goal of ₹8,43,83,150. He has already saved ₹42,19,157 and wants to make regular annual contributions to reach his goal. He estimates an average annual return of 7% on his investments.

Advise Pankaj to determine how much he should save each year to reach her retirement goal by the time he turns 60.

- Q.3** Describe the process of creating an investment plan from scratch. Include the importance of goal setting, risk assessment, asset allocation, and portfolio management. [CO-3] [L-3] **10**

OR

Given the following market values of stocks in your portfolio and their expected rates of return, what is the expected rate of return for your common stock portfolio?

Stock	Market Value (₹Million)	E(R _i)
MRF	15,000	0.14
Adani Power	17,000	(0.04)
Tata Motors	32,000	0.18
Reliance Industries	23,000	0.16
Tata Consultancy Services	7,000	0.12

- Q.4** Explain the importance of retirement planning and the potential consequences of delaying it. How can factors such as inflation, longevity, and healthcare costs impact on an individual's retirement savings needs? [CO-4] [L-4] **10**

OR

After retiring, PS plans to withdraw ₹33,75,326 per year from his retirement savings. He expects to live for 25 more years and anticipates his investments will earn a 5% annual return. How much does PS need to have saved up before retiring?

Q.5 Discuss how capital gains tax affects an investor's decision-making process. How can investors manage their portfolios to minimize capital gains taxes? What strategies can be employed to reduce taxable capital gains? [CO-5] [L-5] **10**

OR

Mr. PS, a software engineer, has been working for a multinational company. The details of his physical presence in India over the past four financial years are as follows:

- **FY 2020-21:** 120 days
- **FY 2021-22:** 200 days
- **FY 2022-23:** 100 days
- **FY 2023-24:** 150 days

Determine Mr. PS's residential status for the financial year 2023-24.