GL BAJAJ
Institute of Management & Research. PGDM Institute
FIND YOUR SPARK
GL BAJAJ GREATER NOIDA (Approved by A.I.C.T.E., Ministry of HRD, Govt. of India)

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2021-23)
MID TERM QUIZ EXAMINATION (TERM -III)

Subject Name: Personal Wealth management	Time: **01.00 hrs**
Sub. Code: PGF-31	Max Marks: **20**

Note:
1. Writing anything except Roll Number on Quiz paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.
2. There is no negative marking for wrong answer.
3. Tick marks the correct answer.

Attempt all questions. All questions are compulsory.   **40×0.5 = 20 Marks**

Q. 1 Financial planning seeks to   **(CO1, L1)**

- ➢ Offer investment advice
- ➢ Offer tax advice
- ➢ Assess transmission plan
- ➢ **Assess adequacy of income and assets for needs**

Q. 2. Joint families giving way to nuclear families has increased the need for financial planning. **(CO1, L1)**

- ➢ **True**
- ➢ False

Q. 3. If in today's money terms, investor needs ` 20 lakhs, and the goal is likely in 4 years with inflation at 10%, then the future requirement of funds for the goal is - **(CO2, L2)**

- ➢ ` $20,00,000 \div (1 + 10\%)^4$
- ➢ ` **$20,00,000 \times (1 + 10\%)^4$**
- ➢ ` $20,00,000 \div (1 + 10\%^4)$
- ➢ ` $20,00,000 \times \{(1 + 10\%) \times 4\}$

Q. 4. In early stages of one's career, client is in _____ stage **(CO1, L1)**

- ➢ **Accumulation**
- ➢ Distribution
- ➢ Transition
- ➢ Windfall

Q. 5. Systematic Withdrawal Plan is suitable for retired investors. **(CO1, L1)**

- ➢ **True**
- ➢ False

Q. 6. Wealth management service is normally offered to clients whose cash flows are inadequate to meet needs. **(CO1, L1)**

➢ True
➢ **False**

Q. 7. Which of the following best defines the bottom of a cycle? **(CO1, L1)**

➢ Recession
➢ **Trough**
➢ Peak
➢ Freeze

Q. 8. Which of the following is a lead indicator? **(CO1, L1)**

➢ GDP growth
➢ Unemployment number
➢ Luxury goods consumption
➢ **Consumer Confidence Index**

Q. 9. Tight monetary policy is a feature of high inflation scenarios. **(CO1, L1)**

➢ **True**
➢ False

Q. 10. India's budget is surplus on revenue account but deficit on capital account **(CO1, L1)**

➢ True
➢ **False**

Q. 11. An investor looking for returns in line with the market will opt for **(CO1, L1)**

➢ Active investment
➢ Speculation
➢ **Passive investment**
➢ Leveraging

Q. 12. Passive investment protects the investor from any losses **(CO1, L1)**

➢ True
➢ **False**

Q. 13. Discount factor used in Dividend discounting is **(CO1, L1)**

➢ **Cost of equity**
➢ Cost of debt
➢ Weighted average cost of capital
➢ Price-Earnings

Q. 14. FCFF + Loans = FCFE **(CO1, L1)**

➢ True
➢ **False**

Q. 15. Leveraging is a conservative approach to investment**(CO1, L1)**

> True

> **False**

Q. 16. Long term capital loss can be set-off against_____, **(CO1, L1)**

(a) Short term gain
(b) salary
(c) **Long term gain**
(d) Other sources income

Q. 17. A_____ is an evaluation of an individual or organization's willingness to take risks & threats to which an organization is exposed. **(CO1, L1)**
(a) Risk Taker
(b) **Risk Profile**
(c) promoter
(d) Return

Q. 18. The goal of wealth management is to sustain and grow wealth._____, **(CO1, L1)**
(a) **Long term**
(b) Short Term
(c) mixed Term
(d) Low time

Q. 19. India banned the entry load (commission) on mutual funds_____, **(CO1, L1)**
(a) RBI
(b) **SEBI**
(c) RBI
(d) HDFC

Q. 20. A bank deposit of * 25,000 will earn an interest of at the end of one year, if it earns 10% pa compounded half yearly FVIF (5%, 2) 1.1025. **(CO2, L2)**
(a)16000
(b) 14000
(c) 13000
(d)**2562.5**

Q. 21. Hansika deposited 10,000 in bank FD for 5 years @ 9%. Maturity amount is FVIF (9%, 5) is 1.5386.__ **(CO2, L2)**
(a) **15386**
(b) 16000
(c) 10000
(d) 10500

Q. 22. Present value of 2000 to be received 10 years later discounted at 8% is PVIF (8%, 10) is 0.4632, **(CO2, L2)**
(a)16000
(b) **926.38**
(c) 13000
(d)2562.5

Q. 23._____. Is the ability to understand how money works in the world? **(CO1, L1)**
(a) **Financial Literacy**
(b) Accounting
(c) Normal Literacy
(d) General knowledge

Q. 24. A Wealth Manager should act as an_____ and not as a Salesman. **(CO1, L1)**
(a) Suggestion
(b) **advisor**
(c) Reporting
(d) Auditing

Q. 25. HNWI stands for_____, **(CO1, L1)**
(a) **High Net worth Individuals**
(b) High no worth Individuals
(c) High Net work Individuals
(d) None

Q. 26. Execution of a_____ requires discipline and perseverance. **(CO1, L1)**
(a)Financial
(b) budgeting
(c) **financial Planning**
(d) financial advisor

Q. 27. _____ consists of external factors in a business market that can influence a business. **(CO1, L1)**
(a) **Economic environment**
(b) employee
(c) manager
(d) Suppliers

Q. 28. Medical Insurance premium provide tax exemption under section_____ of Income tax **(CO1, L1)**
(a) 80A
(b) 80B
(c) 80C
(d) **80D**

Q. 29. _____ offers the payment of partial survival benefits. **(CO1, L1)**
(a)Investment
(b) Deposit
(c) **Money Back policy**
(d) Insurance

Q. 30. _____ Deals with the transportation aspects of goods through any mode of shipment. **(CO1, L1)**
(a) LIC
(b) Health Insurance
(c) **Marine Insurance**
(d) Policy

Q.31. _____ Policies are not issued for less than one year period. **(CO1, L1)**
(a) LIC
(b) **Health Insurance**
(c) Marine Insurance
(d) Policy

Q.32. _____ stands for Systematic Investment Plan. **(CO1, L1)**
(a)**SIP**
(b) Health Insurance
(c) Mutual fund
(d) Policy

Q.33. _____.is equal to Assets - Liabilities. **(CO1, L1)**
(a) Net worth
(b) Fixed Assets
(c) Working capital
(d) Current Assets

Q.34. Deduction for donation to a charitable trust can be claimed under_____ **(CO1, L1)**
(a) 80C
(b) 80 D
(c) 80G
(d) 80 E

Q. 35. A capital gain on unlisted equity share held for 45 months shall be classified as_____**(CO1, L1)**
(a) Long Term
(b) Short Term
(c) House Property
(d) Assets

Q.36. A taxable amount, aimed to compensate for the rising cost of living is called___**(CO1, L1)**
(a) TA
(b) DA
(c) Basic salary
(d) Bonus

Q.37. If Rs.10lakh is required in 10 years and inflation is expected to be 10%, then the money requirement in 10 years is given by**(CO2, L2)**
(a) Rs. 10lakh X (1-10%)10
(b) Rs. 10lakh ÷ (1+10%)10
(c) **Rs. 10lakh X (1+10%)10**
(d) Rs. 10lakh ÷ (1-10%)10

Q.38. With passive investment, the investor can avoid losses **(CO1, L1)**
(a) **FALSE**
(b) TRUE

Q.39. What drives the performance of asset classes? **(CO1, L1)**
(a) local economy
(b) global economy
(c) Neither 1 nor 2
(d) Both 1 and 2

Q.40. Section 80C deduction is available for **(CO1, L1)**
(a) individuals and partnership firms
(b) individuals and HUF
(c) individuals
(d) all assesses