

## BBA 621-18 -Personal financial planning

**Course Objective:** The objective of this course is to enable the students to analyze their personal financial decisions, evaluate the costs and benefits of their decisions, recognize their rights and responsibilities as consumers, and apply the knowledge learned in school to financial situations encountered later in life.

### Course Outcomes:

**CO<sub>1</sub>:** Understand the importance of personal financial planning and time value of money which is fundamental in achieving their financial goals.

**CO<sub>2</sub>:** Understand the various sources of investment and credit and their respective income tax implications.

**CO<sub>3</sub>:** Understand the concept of risk-return and risk management.

**CO<sub>4</sub>:** Understand the multiple areas of comprehensive financial planning including taxation, insurance, retirement, and estate planning.

**CO<sub>5</sub>:** Master the ethical guidelines and standards, disciplinary rules and procedures, and the consumer protection laws regarding personal finance.

### UNIT I

**Understanding personal finance:** Financial security, Time value of money, importance of personal financial planning, Principles of personal finance, Financial planning process, Biases in personal finance. **Financial statements and ratios analysis:** Managing cash flows, Creating and reviewing financial statements, Analyzing financial statements, Budget.

### UNIT II

**Introduction to insurance and risk management:** Risk and return, Risk management, Risk diversification, Managing life, health and disability risks, concept and types of insurance.

### UNIT III

**Investment fundamentals:** Saving and investment, Rules of investing, Debt and equity. **Investment in bonds and mutual funds. Managing income taxes:** Introduction to personal income tax planning, Tax avoidance and tax evasion. **Building and maintaining good credit:** Credit basics and debt management, Sources of debt, Credit report and scores.

### UNIT IV

**Introduction to retirement planning:** Basic retirement plans. **Estate planning. Ethical considerations in personal financial planning.**

### Suggested Readings:

- Murali, S., & Subbakrishna K.R., *Personal Financial Planning (Wealth Management)*. Himalaya Publishing House.
- Gitman, Lawrence J., Joehnk Michael D., & Billingsley., *Personal Financial Planning*. Cengage Learning India Private Limited.
- Madura, J., *Personal Finance*. Pearson.
- Koh, B., *Personal Financial Planning*. FT Press.
- Nayan, K., *Personal Finance: An Indian Perspective*.