DSE (Stream) - Accounting and Finance

Personal Financial Planning*

(Student can study this paper if s/he has not studied 'Personal Financial Planning' in SEC)

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
Personal Financial Planning	4	3	1	0	Pass in Class XII	NIL

Learning Objectives
The course aims to familiarize learners with different aspects of personal financial planning like savings, investment, taxation, insurance, and retirement planning and to develop the necessary knowledge and skills for effective financial planning.

Learning Outcomes
After completion of the course, learners will be able to:
1. Recognise the relevance of financial planning.
2. Analyse the performance of various instruments in the process of investment planning.
3. Analyse the scope and ways for planning personal taxes.
4. Recognise the need for insurance planning and analyse various insurance products offered in the market.
5. Create a financial plan fulfilling requirements after retirement.

Course Contents:
Unit 1: Introduction to Financial Planning (9 hours)
Financial goals, Steps in financial planning, Budgeting Incomes and Payments, Time value of money. Introduction to savings, benefits of savings, management of spending & financial discipline, Setting Alerts and Maintaining sufficient funds for fixed commitments (Credit Cards Repayments, EMI, Insurance Premium, Mutual Fund SIPs etc), Maintaining High CIBIL Score, personal finance/loans, education loan, car loan & home loan schemes. Net banking and UPI, digital wallets, security and precautions against Ponzi schemes and online frauds such as phishing, credit card cloning, skimming.

Unit 2: Investment planning (9 hours)
Process and objectives of investment, Concept and measurement of return & risk for various asset classes, Measurement of portfolio risk and return, Diversification & Portfolio formation. Gold Bond;

Real estate; Investment in Greenfield and brownfield Projects; Investment in fixed income instruments, financial derivatives & Commodity market in India. Mutual fund schemes; International investment avenues. Currency derivatives and Digital Currency.

Unit 3: Personal Tax Planning (9 hours)
Tax Structure in India for personal taxation, Scope of Personal tax planning, Exemptions and deductions available to individuals under different heads of income and gross total income. Comparison of benefits - Special provision u/s 202 vis-à-vis General provisions of the Income-tax Act, 2025, tax avoidance versus tax evasion.

Unit 4: Insurance Planning and Retirement Benefits Planning (18 hours)
(A) Insurance Planning (9 hours)
Need for Protection planning. Life Insurance, Health Insurance, Property Insurance, Credit Life Insurance and Professional Liability Insurance. Deductions available under the Income-tax Act for the premium paid for different policies.
(B) Retirement Benefits Planning (9 hours)
Retirement Planning Goals, Process of retirement planning, Pension plans available in India, Reverse mortgage, Planning for distribution of money and property among legal heirs, New Pension Scheme. Exemptions available under the Income-tax Act, 2025 for retirement benefits.

Exercises
The learners are required to:
1. Create a financial plan for a hypothetical individual and evaluate its importance.
2. Evaluate the performance of various financial assets to create an investment plan.
3. Examine tax structure and make a tax planning scheme for a salaried individual by taking a hypothetical case.
4. Evaluate the benefits offered by different life insurance policies and general insurance policies.
5. Evaluate different financial products offered in the Indian market for retirement planning.

Suggested Readings

- Halan, M. (2018). Let's talk money: you've worked hard for it, now make it work for you. (1st ed.). New York, United States: HarperCollins Publishers.
- Keown A.J. (2017). Personal finance. (8th ed.). New York, United States: Pearson.
- Pandit, A. (2019). The only financial planning book that you will ever need. Mumbai, India: Network 18 Publications Ltd.
- Sinha, M. (2019). Financial planning: a ready reckoner. (2nd ed). India: McGraw Hill Education.
- Tripathi, V. (2023). Fundamentals of investment. (5th ed.). Delhi, India: Taxmann Publication.
- Indian Institute of Banking & Finance. (2017). Introduction to financial planning. (4th ed.). Delhi, India: Taxmann Publication.

Note: Suggested readings will be updated by the Department of Commerce and uploaded on Department's website.