

DSE 12: WEALTH MANAGEMENT

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
Wealth Management DSE-12	4	3	1	0	Class XII	NA

Course Objectives:

- To equip students with the knowledge and practical understanding of important dimensions of wealth management.
- To understand and do planning for their tax liabilities, investments, insurance coverage, retirement and estate needs.

Learning Outcomes:

After the completion of this course the student will be able:

- To provide an overview of various aspects related to wealth management.
- To acquaint the learners with issues related to taxation in wealth management.
- To study the relevance and importance of insurance in wealth management.
- To understand the importance and process of choosing right investments.
- To understand various components of retirement and estate planning.

Course Contents

Unit I: Basics of Wealth Management and Tax Planning (12 hours)

Introduction to Wealth Management, Need for Wealth Management, Components of Wealth Management, Process of Wealth Management, Code of Ethics for Wealth Managers, Wealth Management in India. Tax Planning – Tax Avoidance versus Tax Evasion, Fundamental Objectives of Tax Planning, Tax Structure in India for Individuals, Common Tax Planning Strategies – Maximizing Deductions, Income Shifting, Tax-Free and Tax-Deferred Income.

Unit 2: Managing Insurance Needs (12 hours)

Basics Concepts – Risks, Risk Management and Underwriting. Insuring Life – Benefits of Life Insurance, evaluating need for Life Insurance, Determining the Right Amount of Life Insurance. Choosing the Right Life Insurance Policy – Term Life Insurance, Whole Life Insurance, Universal Life Insurance, Variable Life Insurance, Group Life Insurance, Other Special Purpose Life Policies. Buying Life Insurance – Compare Costs and Features, Select an Insurance Company, and Choose an Agent. Life Insurance Contract Features. Insuring Health – Importance of Health Insurance Coverage. Making

Health Insurance Decision – Evaluate Your Health Care Cost Risk, Determine Available Coverage and Resources, Choose a Health Insurance Plan. Types of Medical Expense Coverage. Policy Provisions of Medical Expense Plans. Property Insurance – Basic Principles, Types of Exposure, Principle of Indemnity, and Coinsurance.

Unit 3: Managing Investments

(12 hours)

Role of Investing in Personal Financial Planning, Identifying the Investment Objectives, Different Investment Choices. The Risks of Investing, The Returns from Investing, The Risk-Return Trade-off. Managing Your Investment Holdings – Building a Portfolio of Securities, Asset Allocation and Portfolio Management, Keeping Track of Investments. Investing in Equity – Common Considerations, Key Measures of Performance, Types of Equity Stocks, Market Globalization and Foreign Stock, Making the Investment Decision. Investing in Bonds – Benefits of Investing in Bonds, Bonds Versus Stocks, Basic Issue Characteristics, The Bond Market, Bond Ratings. Investing in Mutual Funds and Exchange Traded Funds (ETFs) – Concept of Mutual Funds and ETFs, Benefits of Investing in Mutual Funds or ETFs, Some Important Cost Considerations, Services Offered by Mutual Funds, Selecting appropriate Mutual Fund and ETF investments, Evaluating the performance of Mutual Funds and ETF.

Unit 4: Retirement Planning and Estate Planning

(9 hours)

Retirement Planning – Role of Retirement Planning in Personal Financial Planning, Pitfalls to Sound Retirement Planning, Estimating Income Needs, Sources of Retirement Income. Estate Planning – Fundamentals of Estate Planning, Impact of Property Ownership and Beneficiary Designations, Estate Planning Documents, and Executing Basic Estate Planning.

Essential Readings:

1. Randall S. Billingsley, Lawrence J. Gitman, and Michael D. Joehnk (2017): Personal Financial Planning. Cengage Learning.
2. Susan M. Tillery, and Thomas N. Tillery: Essentials of Personal Financial Planning. Association of International Certified Professional Accountants.

Additional Readings:

1. Introduction to Financial Planning (4th Edition 2017) – Indian Institute of Banking & Finance.
2. Sinha, Madhu. Financial Planning: A Ready Reckoner. July 2017. Mc Graw Hill.

Examination scheme and mode:

Evaluation scheme and mode will be as per the guidelines notified by the University of Delhi.