

**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU -27**

**OPEN ELECTIVE - IV SEMESTER**

**SEMESTER EXAMINATION: APRIL 2023**

**(Examination conducted in May 2023)**

**BAOE05: PERSONAL WEALTH MANAGEMENT**

**Time: 1 Hour Max Marks: 50**

**Answer the following questions. (1x50=50)**

1. Wealth Management is the process of managing \_\_\_\_\_\_\_ resources.
   1. Financial and Non-Financial Resources
   2. Financial Resources
   3. Non-Financial Resources
   4. None of the Above
2. The Full-Form of UHNI is \_\_\_\_\_\_
   1. Ultra-High Net-worth Individual
   2. Universally High Net Income
   3. Undivided Highly Negligible Investment
   4. None of the Above
3. The Full-Form of AUM is \_\_\_\_\_\_
   1. Assets Undivided Monetarily
   2. Assets Unclear by Misrepresentation
   3. Assets Under Management
   4. None of the Above
4. Wealth Management includes \_\_\_\_\_\_\_
   1. Retirement Planning
   2. Investment Management
   3. Estate Planning and Inheritance
   4. All the Above
5. Insurance Analysis and Diversification are a part of \_\_\_\_\_\_\_
   1. Financial Planning
   2. Tax Planning
   3. Risk Management
   4. None of the Above
6. Wealth Management is Important because \_\_\_\_\_\_\_
   1. It helps us prepare budgets for our expenses
   2. It helps protect our investments from risks
   3. It helps protect against inflation
   4. All the Above
7. What is the full-form of SMART objectives?
   1. Social, Manageable, Assertive, Responsible, Trustworthy
   2. Specific Monetary Assets Reacting to Time
   3. Specific, Measurable, Achievable, Relevant, Time-bound
   4. None of the Above
8. In the process of wealth management, what does the wealth manager do in the “Gap Analysis” stage?
   1. Analysis of the Gap between the Timing of various Investments
   2. Analysis of the Gap in the Location of the Client and the Wealth Manager’s Office
   3. Analysis of the Gap between the Client’s Current Financial State and the Client’s Expected Financial State
   4. None of the Above
9. In the process of wealth management, the step “Defining the Terms of Engagement” \_\_\_\_\_\_\_\_\_\_
   1. Happens only once - in the beginning
   2. Can be repeated any time during the process as and when necessary
   3. Happens twice – once in the beginning, once in the end
   4. None of the Above
10. Which of the following are Fraudulent Activities in Wealth Management
    1. Financial Account Takeover
    2. Advance Fee Fraud
    3. Both A and B
    4. None of the Above
11. Which of the following are some of the Code of Ethics of Wealth Managers
    1. Due Diligence
    2. Fairness
    3. Both A and B
    4. None of the Above
12. What does “Liquidity” mean?
    1. Liquidity refers to investing in water-based assets (such as Water ETFs issued by the California Stock Exchange)
    2. Liquidity refers to whether our assets can be easily transported “as smooth as water”
    3. Liquidity refers to how quickly our assets can be “converted to Cash”
    4. None of the Above
13. Which of the following signifies if an asset could be “Profitable”?
    1. The asset increases in value over time
    2. The asset gives a certain amount of income periodically
    3. Both A and B
    4. None of the Above
14. In terms of Investments, what does “Safety” refer to?
    1. The investment asset is backed by collateral
    2. The investment asset is backed by insurance
    3. The investment asset’s value remains consistent
    4. None of the Above
15. Which of the following are Investment Avenues?
    1. Gold and Silver
    2. Bonds
    3. Mutual Funds
    4. All the Above
16. Shareholders are entitled to any profits that the company makes. This profit is divided among them in the form of \_\_\_\_\_\_\_\_\_
    1. Dividends
    2. Bonds
    3. Interest
    4. None of the Above
17. What is a “Bond”?
    1. A bond is usually a long-term non-debt instrument
    2. A bond is usually a short-term non-debt instrument
    3. A bond is usually a long-term debt instrument
    4. A bond is usually a short-term debt instrument
18. Which is the Bond that is issued by Governments?
    1. National Bond
    2. Government Bond
    3. Corporate Bond
    4. None of the Above
19. Debentures are usually comparatively \_\_\_\_\_\_\_\_\_ than bonds
    1. More Risky
    2. Less Risky
    3. Equally Risky
    4. None of the Above
20. Compare Equity Mutual Funds with Debt Mutual Funds.
    1. Equity Mutual Funds have comparatively Lower Risk and therefore give Higher Returns than Debt Mutual Funds
    2. Equity Mutual Funds have comparatively Higher Risk and therefore give Higher Returns than Debt Mutual Funds
    3. Equity Mutual Funds have comparatively Higher Risk and therefore give Lower Returns than Debt Mutual Funds
    4. Equity Mutual Funds have comparatively Lower Risk and therefore give Lower Returns than Debt Mutual Funds
21. Which of the following are Roles and Functions of Wealth Managers
    1. They assist the client in preparing budgets
    2. They help the client in investment management
    3. Both A and B
    4. None of the Above
22. Which of the following are Innovative Practices in Wealth Management
    1. AI based Wealth Management
    2. Advanced Data Analytics
    3. Both A and B
    4. None of the Above
23. Which of the following is an example of a SMART goal?
    1. To achieve financial freedom by paying off student loan debt
    2. To achieve financial freedom by paying off student loan debt of Rs.200000
    3. To achieve financial freedom by paying off student loan debt of Rs.200000 within the next 6 months
    4. None of the Above
24. What is a “Hybrid Mutual Fund”?
    1. It is a mutual fund which invests in modern “hybrid” assets (such as hybrid cars)
    2. It is a mutual funds which invests in projects where genetically modified “hybrid” plants are created
    3. It is a mutual fund which invests in both equity shares and debt assets
    4. None of the Above
25. Types of Mutual Funds are \_\_\_\_\_\_
    1. Equity Mutual Funds
    2. Debt Mutual Funds
    3. Hybrid Mutual Funds
    4. All the Above
26. In a Chit Fund, the member who bids the \_\_\_\_\_\_ bid will win the bidding.
    1. Lowest Bid
    2. Highest Bid
    3. Medium Bid
    4. None of the Above
27. What is the full form of REIT?
    1. Real Estate Insurance Team
    2. Real Estate Investment Trust
    3. Real Estate Immediate Transparency
    4. None of the Above
28. One can invest in Gold using which of the following methods?
    1. Purchasing Gold Ornaments
    2. Purchasing Gold Biscuits
    3. Purchasing Gold ETFs
    4. All the Above
29. Which of the following could incur Storage Charges?
    1. Gold Ornaments
    2. Gold Biscuits
    3. Both A and B
    4. Gold ETFs
30. What are the features of a cryptocurrency?
    1. Digital Currency
    2. Uses Blockchain to record and validate transactions
    3. Relies on Cryptography to secure the transactions
    4. All the Above
31. In a Bank Fixed Deposit account \_\_\_\_\_\_\_\_
    1. A lumpsum amount is invested in the beginning and is kept untouched for a certain lock-in period, and it fetches interest
    2. Small amounts of money are invested regularly in regular time intervals, and is kept untouched for a certain lock-in period, and it fetches interest
    3. Small amounts of money are invested regularly in regular time intervals, and is kept untouched for a certain lock-in period, and it does not fetch interest
    4. None of the Above
32. A post office savings account \_\_\_\_\_\_\_\_
    1. Has no lock-in period
    2. Usually gives an interest of around 4%
    3. Both A and B
    4. Has a Lock-in Period of 3 years
33. In a National Savings Recurring Deposit account \_\_\_\_\_\_\_\_
    1. A lumpsum amount is invested in the beginning and is kept untouched for a certain lock-in period, and it fetches interest
    2. Small amounts of money are invested regularly in regular time intervals, and is kept untouched for a certain lock-in period, and it fetches interest
    3. A small amount is invested regularly in regular time intervals, and is kept untouched for a certain lock-in period, and it does not fetch interest
    4. None of the Above
34. In a National Savings Monthly Income Account, interest is paid to the investor \_\_\_\_\_\_
    1. Daily
    2. Weekly
    3. Monthly
    4. Annually (Yearly)
35. The full form of “NSC” is \_\_\_\_\_\_\_\_
    1. National Safety Conglomeration
    2. National Security Conference
    3. National Savings Certificate
    4. National Savings Conference

1. What is the meaning of Return On Investment (ROI)?
   1. The returns (income) that our investments are earning
   2. The investment assets that return back to the investor
   3. The repetitiveness of the investment into the asset
   4. None of the Above
2. What is the Full Form of CAGR
   1. Complex Annual Growth Rate
   2. Component of Annual Gains and Returns
   3. Compound Annual Growth Rate
   4. None of the Above
3. What is the meaning of Post-Tax Returns?
   1. It is the returns of an asset after deducting tax
   2. It is the returns of an asset before deducting tax
   3. It is the returns of an asset after adding back tax
   4. None of the Above
4. What is the purpose of calculating post-tax returns?
   1. Because it is easy to calculate
   2. Because post tax returns tell us the Real Returns that we have after we pay our taxes on those returns
   3. Because it is to be done as per the laws of the government
   4. None of the Above
5. What is the meaning of Time Value of Money?
   1. Time Value of Money states that the value of money earned today is GREATER than the value of money earned tomorrow
   2. Time Value of Money states that the value of money earned today is LESSER than the value of money earned tomorrow
   3. Time Value of Money states that the value of money earned today is EQUAL to the value of money earned tomorrow
   4. None of the Above
6. What is the meaning of Inflation?
   1. Inflation is the general INCREASE in the prices of Goods over time
   2. Inflation is the general DECREASE in the prices of Goods over time
   3. Inflation is the general DECREASE in the demand of Goods over time
   4. None of the Above
7. Which of the following is an example of Inflation?
   1. The price of an asset was Rs.400 last year. Now the price is Rs.350.
   2. The price of an asset was Rs.200 last year. Now the price is Rs.350.
   3. The price of an asset was Rs.200 last year. Now the price is Rs.120.
   4. None of the Above
8. What is the major reason for Time Value of Money?
   1. Unemployment
   2. Taxation
   3. Inflation
   4. None of the Above
9. Meaning of Net Worth
   1. Net Worth is the value of the Assets of a person after ADDING the Liabilities
   2. Net Worth is the value of the Assets of a person after SUBTRACTING the Liabilities
   3. Net Worth is the value of the Assets of a person after MULTIPLYING the Liabilities
   4. None of the Above
10. The Formula of Net Worth is \_\_\_\_\_\_\_\_\_
    1. (Total Assets) - (Total Liabilities)
    2. (Total Assets) + (Total Liabilities)
    3. (Total Assets) x (Total Liabilities)
    4. None of the Above
11. Mr. Mukesh’s Total Assets are valued at Rs.100000. His Liabilities are valued at Rs.20000. The Net Worth of Mr. Mukesh is \_\_\_\_\_\_\_
    1. Rs.150000
    2. Rs.40000
    3. Rs.80000
    4. None of the Above
12. Repaying a loan through a sequence of scheduled payments known as EMIs that include the principal amount outstanding and the interest is known as \_\_\_\_\_\_\_\_
    1. Loan Clearing Planning
    2. Principal and Interest Planning
    3. Loan Repayment Schedule
    4. None of the Above
13. Which of the following are the Components of a Loan Repayment Schedule?
    1. Outstanding Principal Amount
    2. EMI to be paid per month
    3. Frequency of Payments
    4. All the Above

1. Interest from Savings Bank Account is exempted from tax for an amount of Rs. \_\_\_\_\_ during a financial year.
   1. Rs.20000
   2. Rs.30000
   3. Rs.10000
   4. None of the Above
2. What is the Full Form of RBI
   1. Royal Bank of India
   2. Research for Banks of India
   3. Reserve Bank of India
   4. None of the Above

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