

Course No. : HS 591

Course Name: Selected Topics in Personal Financial Planning

Credits: 1-0-0-1

### Course description:

IIT Mandi prepares students for a bright career. Over the next decade and beyond, the students would do well in their career and their earnings will grow well. However, earning a good salary would not make them wealthy. For that, they need to know how to save and invest well. This course is focused on sharing the best practices in saving and investing as practiced by high net-worth individuals in India and abroad.

This is a One credit course with 14 hours of class input.

### Course Objectives:

The course objective is to impart financial literacy among the students.

On completion of the course, the students will acquire a conceptual and analytical framework of financial planning process and the different financial instruments available along with an appreciation of their risk and returns. They will also understand the various approaches available to invest with a view to create wealth. The students will also think like a long-term investor and will appreciate the financial habits necessary for long term planning, earning, savings and investing.

### Course plan:

Unit	Discussion Topic area	Sub-topics covered	No. of hours
1	Defining the term RICH and Overview of Financial planning	Introduction to Personal financial planning; Concepts of being rich, concept of asset classes;	1
		Financial planning process and template-based plan creation; understanding of Life cycle.	2
2	Investing through Mutual funds and equities	Introduction to Mutual funds, types of Mutual funds, selection of Mutual funds.	2
		Introduction to equity markets, different styles of equity investing, basics of equity selection and valuation	2
3	Investing through Debt / Gold / Real estate and Insurance	Discussion on various debt instruments available.	1
		Investing through gold and forecasting gold price trends.	1
		Best practices of investing through insurance policies.	1

		Real estate investing – do’s and don’ts in India.	2
4	Asset allocation and Tax planning	Asset allocation approaches for different risk profiles;	1
		Tax planning and some closing thoughts on wealth	1

### Assessment description:

The assessment will be through one assignment and one MCQ at the end of the course.

In the assignment each student will need to make a “personal” financial plan for 20 years and figure out the year when they will achieve financial freedom and their personal definition of the term RICH. They will clearly document the assumptions made in formulating the financial plan.

The MCQ will be at the end of the course where in each student will be given 25 questions covering all Units 1,2 3 and 4 and they will need to answer to the best of their knowledge.

The assignment and the MCQ will be for 100 marks each,