

IIT Mandi
Proposal for a New Course

Course number : HS504
Course Name : Personal Finance and portfolio Management
Credit : 3
Distribution : 3-0-0-3
Intended for : UG and PG students
Prerequisite : Nil
Mutual Exclusion: None

1. Preamble:

Personal finance management is an essential life skill that enables individuals to achieve financial independence and make sound financial decisions. This course introduces personal finance management, covering various topics such as budgeting, saving, investing, debt management, retirement planning, and tax planning. The course will cover fundamental concepts and techniques of personal finance, including financial planning, risk management, and retirement planning. The course will also introduce students to various financial tools and resources commonly used in personal finance management. Throughout the course, students will be encouraged to apply personal finance management techniques to their own finances. The course will include theoretical and practical components, emphasizing real-world applications and personal financial planning. By the end of the course, students will have gained a strong foundation in personal finance management, including the ability to create and manage a personal budget, understand different savings and investment vehicles, manage debts and improve credit scores, plan for retirement, and make sound financial decisions.

2. Course Modules with quantitative lecture hours:

Unit 1: Introduction to Personal Finance: Introduction to personal finance and its importance, Overview of the financial planning process, time value of money, Overview of Indian Financial instruments, budgeting, Unique challenges and opportunities in the Indian context, Role of culture and social norms in personal finance management in India

(6 Hours)

Unit 2: Banking: The role of banks in the economy, The different types of banks (e.g., commercial, investment, central), Introduction to banking products and services (e.g. deposit accounts, loans, credit cards, mortgages), The importance of banking services to individuals.

(4 Hours)

Unit 3: Saving and Investing: Creating and managing a personal budget, the Importance of saving and investing for personal finance, Financial Planning Tools, Types of savings and

investment instruments (e.g., mutual funds, stocks, bonds, real estate, commodity, fixed income, Real Estate, Unit Linked Investment), Risk and return, diversification, and asset allocation. **(10 Hours)**

Unit 4: Debt Management: Understand debts (e.g. credit cards, loans, mortgages), Types of debts and loans, Overview of credit scores and reports, and Strategies for managing debts and improving credit scores. **(4 Hours)**

Unit 5: Retirement Planning: Overview of retirement planning and its importance, Types of retirement accounts (NPS, Private pension, Provident funds), Retirement income sources (e.g., Pensions, rental incomes) **(6 Hours)**

Unit 6: Tax Planning: Overview of tax planning and its importance, Tax planning strategies for individuals (e.g. tax deductions, credits, and exemptions), Overview of tax laws and regulations **(6 Hours)**

Unit 7: Financial Tools and Resources: Overview of financial tools and resources for personal finance management, Examples of financial tools, such as budgeting apps, investment platforms, and retirement calculators, Evaluation of financial resources and tools **(6 Hours)**

Laboratory/practical/tutorial Modules: None

3. Text books:

(Latest, Only 2)

1. Ramit Sethi, I will teach you to be rich, 2, Workman Publishing, USA, 2019
2. Basant Maheshwari, The thoughtful investor, The Equity Desk, India, 2021

4. References:

*(No limit on numbers, relevant)
Standard format can be followed*

The Richest Man in Babylon by George S. Clason

The Intelligent Investor by Benjamin Graham

The Psychology of Money by Morgan Housel

Rich Dad Poor Dad by Robert T. Kiyosaki

The Simple Path to Wealth by JL Collins

The Millionaire Next Door by Thomas J. Stanley and William D. Danko

Your Money or Your Life by Vicki Robin and Joe Dominguez

The Little Book of Common Sense Investing by John C. Bogle

A Random Walk Down Wall Street by Burton Malkiel

Money Master the Game by Tony Robbins

5. Similarity with the existing courses:

(Similarity content is declared as per the number of lecture hours on similar topics)

S. No.		Course Code	Similarity Content	Approx. % of Content
1.	Special Topics in Personal Financial Planning (1 Credit)	HS591	Some content from unit 1,3 and 7	10 %

6. Justification of new course proposal if cumulative similarity content is >30%: