

BALLARI INSTITUTE OF TECHNOLOGY & MANAGEMENT

(Autonomous Institute under Visvesvaraya Technological University, Belagavi)

USN

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Course Code

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Fourth Semester MBA Degree Examinations, Sept/Oct 2023

WEALTH MANAGEMENT

Duration: 3 hrs

Max. Marks: 100

Note: 1. Answer any FOUR full questions from Question No. 1 to 7.

2. Question No. 8 is compulsory

3. Missing data, if any, may be suitably assumed

| <u>Q. No</u> | <u>Question</u> | <u>Marks</u> | <u>(RBTL:CO:PO)</u> |
|--------------|--|--------------|---------------------|
| 1. | a. What is SIP? | 03 | (2 : 1 : 1) |
| | b. Explain Wealth cycle in brief. | 07 | (3 : 2 : 1) |
| | c. What is asset allocation? What are its benefits? Explain in detail about asset allocation principles. | 10 | (2 : 4 : 1) |
| 2. | a. What economic Lead Indicator? | 03 | (2 : 3 : 2) |
| | b. Discuss Wealth Management Process in detail. | 07 | (3 : 2 : 2) |
| | c. Define financial planning & Wealth Management. Distinguish between financial planner and Wealth advisor | 10 | (3 : 1 : 2) |
| 3. | a. What is Financial Blood test Report? | 03 | (1 : 1 : 1) |
| | b. Differentiate between Financial Planning & Wealth Management. | 07 | (4 : 1 : 1) |
| | c. Explain the various economic indicator affecting Investment decision of High-Net-worth Individuals. | 10 | (4 : 2 : 1) |
| 4. | a. What is Beta co-efficient? How it benefits in diversification? | 03 | (1 : 3 : 2) |
| | b. Explain the difference between Active management & Passive Management in investment decisions. | 07 | (3 : 5 : 2) |
| | c. Differentiate between Fundamental analysis and technical analysis. | 10 | (3 : 4 : 2) |
| 5. | a. What is Concentration Risk? | 03 | (1 : 4 : 2) |
| | b. Discuss the various stages in Equity Valuation of securities. | 07 | (3 : 4 : 2) |
| | c. Explain the various risk associated with Equity & Debt Investment securities. | 10 | (3 : 5 : 2) |
| 6. | a. What is Strategic Asset allocation? | 03 | (1 : 5 : 2) |
| | Explain the choice of Portfolio rebalancing in asset allocation decisions. | 07 | (3 : 5 : 2) |
| | Discuss the comparison of Investment in Real Estate and Gold. | 10 | (3 : 4 : 2) |

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| 7. | a. | What is Fixed asset allocation? | 03 | (1 : 4 : 1) |
| | b. | Discuss the different tools for Real Estate planning for Wealth management Clients. | 07 | (2 : 1 : 1) |
| | c. | What is Financial Derivative? List the different types of financial derivatives. | 10 | (4 : 5 : 1) |

8. **Case Study (Compulsory)**

Rocky and Rani are trying to decide to invest Rs 400,000 as they were given as a wedding present. They already own a home and would like to use the money to invest in the stock market. Rocky is very conservative in his investments and does not want to invest in risky stocks. Rani is the opposite. She wants to invest in risky stocks so that she has the potential to earn very high returns. She has always heard that risky stocks have higher returns than safe stocks. They are trying to come to some agreement on which stocks they should purchase.

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| a. | List the investment alternatives suits to the objective of Rocky. | 05 | (3 : 3 : 2) |
| b. | List the investment alternatives suits to the objective of Rani. | 05 | (3 : 3 : 2) |
| c. | Rocky asks whether risky stocks always outperform safe stocks. If so, he wants to know why so. | 05 | (3 : 3 : 2) |
| d. | Rani is willing to compromise on the selection of stocks to purchase. She suggests purchasing a mutual fund that invests in growth stocks to minimize risk and still have potential for high returns. Describe the advantages and disadvantages with this strategy. | 05 | (3 : 3 : 2) |
