



Institute of Management
JK Lakshmipat University, Jaipur
EVEN SEMESTER MID TERM EXAMINATION I -2019

BBA/ BCOM (BnF) (IV sem.)

Financial Planning & Wealth Management

Subject Code: FN 18

Time: 1.5 Hours

MM: 20Marks

Instructions: All questions are compulsory.

Section A

1. Identify True/False statements. (half marks each)

- a) Net wealth means total assets plus liabilities against them.
- b) Wealth Management is known as Private banking or Personal banking.
- c) Wealth Management is a standardized service which is offered to each client in same manner.
- d) Wealth Management is a part of retirement planning.
- e) Goal Prioritization is the client's responsibility not the wealth manager.
- f) Fear based clients are more reliant upon wealth managers.

2. There is no standardized pattern to identify a wealthy person. Over the years various nomenclatures have developed over the world. Figure out the types of wealth individual internationally and annual income based classification of Indian Individuals. (3 marks)

3. During goal setting, each client invariably faces some constraints which limits his/her ability to achieve the stated goal. Elaborate any three constraints with suitable example which affect client's goal accomplishment. (3 marks)

Or

Financial Planning and Wealth Management are inherently very similar. Yet, technically both are highly differing too. Elaborate.

4. People invest their own assets and personal income efficiently to ensure that their economic security can be guaranteed, not only their working life but also after retirement. Under the shed of this sentence elaborate the concept and framework of wealth management. (4 marks)

Or

Wealth Management is relatively simple in it's most basic concept but very difficult to execute successfully. Explain.

Section B

Percentage of wealthy individuals in India is very small compared with developed markets, forecasted growth figures point toward a very high potential for asset accumulation over the foreseeable future. India has the key ingredients of a high-growth wealth management market, namely a very large and young mass affluent segment; an increase in the wealth of global Indians; the Indian government's push to curb illicit leaks and more tightly regulate markets; and an increasing share of the organized market players (e.g., independent wealth advisors and small brokers/agents who double as financial advisors). India's wealthy are relatively young compared with their international counterparts and, hence, take a different approach to wealth management. India's wealth management services sector is largely fragmented, which isn't surprising given the industry is still in its early days. Most organized players have so far focused mainly on the urban segment, leaving untapped about one-fifth of India's high net worth individuals (HNWI) population. While early entrants and established local players have gained trust with potential investors, firms looking to enter the market will need to invest heavily in brand-building exercises to convey their trustworthiness. Hence, it is recommended that firms take a long-term view while evaluating potential return on investment.

Questions

- a) In the purview of above case, According to you what could be the various reasons which makes Indian Wealth Management Industry significant and favorable business model.
(3 marks)
- b) Indians still largely relied upon their own wealth management strategies. Mention some factors which are responsible for largely untapped Indian market and lukewarm response of clients.
(2 marks)
- c) If, you own a Wealth Management consultancy firm in India, what strategies you will build to enhance your client base, Suggest.
(2 marks)