

# Personal Financial Planning

Shalu Garg



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**Sultan Chand & Sons**

# *Personal Financial Planning*

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**Sultan Chand & Sons<sup>®</sup>**

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# *Preface*

Welcome to a journey of empowerment and financial well-being! In a world that constantly evolves, mastering the art of personal financial planning is a crucial skill. This book is not just a guide; it's a companion on your path to financial freedom and security.

As you hold this book in your hands, you are taking the first step towards a future where financial stress is replaced by confidence and control. Whether you're a recent graduate navigating the complexities of budgeting, a professional aiming to invest wisely, or someone contemplating retirement, the principles within these pages are tailored to meet you where you are.

Personal finance is not just about numbers; it's about making informed decisions that align with your life goals. Throughout this journey, we will unravel the mysteries of budgeting, investing, and planning for the long term. But beyond the practicalities, we will delve into the mindset needed to achieve lasting financial success.

Together, we will explore the psychology of money, debunk myths, and cultivate habits that lead to financial resilience. The goal is not just wealth accumulation but a holistic approach to financial well-being—where money becomes a tool for living the life you desire.

This book is not a one-size-fits-all solution. It's a toolkit, offering diverse strategies and insights that you can adapt to your unique circumstances. From setting achievable financial goals to understanding the nuances of investment vehicles, each chapter is designed to empower you with knowledge and confidence.

As your companion in this financial journey, my aim is to simplify the complexities of personal finance, making it accessible and even enjoyable. You'll find practical tips, real-life examples, and exercises to reinforce your learning. Remember, this is your journey, and you are in control.

Financial freedom is not an elusive dream; it's a tangible reality waiting to be crafted. Let this book be your guide as you embark on the path to mastering your finances and building a future of abundance and security.

Here's to your financial success!

*Ms. Shalu Garg*





# *Acknowledgement*

Writing a book is a journey that involves the contributions and support of numerous individuals who play a crucial role in bringing ideas to life. As I stand at the completion of this work on Personal Financial Planning, I am deeply grateful to those who have been instrumental in making this project a reality.

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I want to express my deepest appreciation to my family—your unwavering support and understanding during the long hours of writing and research have meant the world to me. Your belief in this project has been a constant source of motivation.

I am indebted to my friends who patiently listened to my financial musings, offered valuable insights, and provided occasional humor to lighten the process. Your generosity has made this endeavor all the more enjoyable.

A special thanks to the experts in the field who generously shared their knowledge and expertise. Your guidance has enriched the content of this book and, I hope, will greatly benefit its readers.

To my editor and the entire publishing team, thank you for your diligence and dedication in bringing this project to fruition. Your attention to detail and commitment to excellence have elevated the quality of the final product.

Finally, to the readers who embark on this financial planning journey with me—thank you for choosing to explore these pages. I sincerely hope the insights and advice within prove valuable on your path to financial well-being.

With gratitude,  
*Ms. Shalu Garg*



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2.	Time Value of Money	5	7	2	1	3	3	2
3.	Savings, Spending and Financial Discipline	10	10	2	1	4	–	2
<b>Unit-II Investment Planning</b>								
4.	Investment, Risk & Return and Portfolio	11	9	3	1	8	1	2
5.	Bond, Real Estate and Investment in Projects	6	12	3	1	6	–	1
6.	Financial Derivatives and Mutual Funds	15	11	4	1	8	1	2
<b>Unit-III Personal Tax Planning</b>								
7.	Tax Structure in India	10	6	1	1	2	1	2
8.	Exemptions and Deductions	10	12	2	1	1	11	2
<b>Unit-IV Insurance Planning</b>								
9.	Life and Health Insurance	10	6	2	1	3	2	2
10.	Property Insurance, Credit Life Insurance and Professional Liability Insurance	8	9	3	1	3	1	2
<b>Unit-V Retirement Benefits Planning</b>								
11.	Retirement Planning and Pension Plans	10	9	2	1	2	1	2
12.	Reverse Mortgage and Estate Planning	8	6	2	1	2	–	1
<b>Practical Exercises Guide</b>								
	<b>Total</b>	111	107	28	12	47	21	19



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# *Syllabus*

## **Unit-1: Introduction to Financial Planning**

Financial goals, steps in financial planning, budgeting incomes and payments, time value of money. Introduction to savings, benefits, management of spending & financial discipline, setting alerts and maintaining sufficient funds for fixed commitments.

## **Unit-2: Investment Planning**

Process and objectives of investment, concept and measurement of return & risk for various asset classes, measurement of portfolio risk and return, diversification & portfolio formation. Gold bond; Real estate; Investment in greenfield and brownfield projects; Investment in fixed income instruments, financial derivatives & commodity market in India. Mutual fund Schemes; International investment avenues. Currency derivatives and digital currency.

## **Unit-3 Personal Tax Planning**

Tax structure in India for personal taxation, scope of personal tax planning, exemptions and deductions available to individuals under different heads of income and gross total income. Comparison of benefits - Special provision u/s 115 BAC vis-a-vis General Provisions of the Income-tax Act, 1961, tax avoidance versus tax evasion.

## **Unit-4 Insurance Planning**

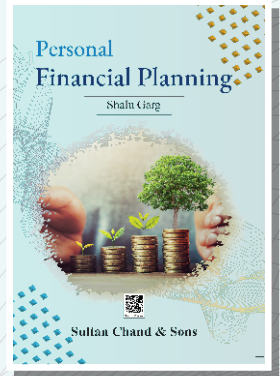
Need for insurance. Life insurance, health insurance, property insurance, credit life insurance and professional liability insurance

## **Unit-5 Retirement Benefits Planning**

Retirement planning goals, process of retirement planning, Pension plans available in India, Reverse mortgage, Estate planning.

## About the Book

"*Personal Financial Planning*" is a comprehensive guide that aligns with the latest guidelines issued by the University of Delhi. Tailored to cover the entire syllabus, this book serves as an indispensable resource for students seeking a thorough understanding of personal finance. It delves into key aspects such as budgeting, investment strategies, risk management, and financial goal setting. With its up-to-date information and adherence to university guidelines, "Personal Financial Planning" is designed to empower students with the knowledge and skills needed to navigate the complex landscape of personal finance successfully. Whether you're a student or an enthusiast eager to enhance your financial literacy, this book is a reliable and up-to-date reference that ensures a comprehensive grasp of the subject matter.



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5. **Knowledge Quest:** Adventurous quest to tackle conceptual questions.
6. **Scenario Queries:** Get ready to tackle tricky, real-life money problems.

This book's diverse set of features is carefully crafted to cater to different learning styles and ensures a holistic and engaging learning experience for students pursuing personal financial planning studies.

## About the Author

Ms. Shalu Garg is a dedicated academic and Assistant Professor at the University of Delhi. She started her educational journey with Graduation at Lakshmi Bai College and later pursued her Post Graduation at the Department of Commerce, University of Delhi. With a passion for teaching, she began her career at Guru Gobind Singh Indraprastha University and went on to teach at esteemed institutions of University of Delhi like Satyawati College and Lakshmi Bai College. Beyond teaching, she has contributed seven published lessons in collaboration with the Department of Distance and Continuing Education at the University of Delhi, emphasizing her commitment to accessible education. Ms. Shalu Garg's impressive academic background, teaching experience, and scholarly contributions make her a significant figure in the field of education.



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