



# *Financial Literacy*

## (Value Addition Course)

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21<sup>st</sup> October 2022 at 3:00 p.m. Hans Raj College, University of Delhi

No. of Participants: 68

Credits:02; Lecture-1(per week); Practical-1 of 2 hours each (per week) \*

### Course Objectives

- Familiarity with different aspects of financial literacy such as savings, investment, taxation, and insurance
- Understand the relevance and process of financial planning
- Promote financial well-being

### Learning Outcomes

- Develop proficiency for personal and family financial planning
- Apply the concept of investment planning
- Ability to analyse banking and insurance products
- Personal tax planning

### Syllabus of *Financial literacy*

(Lecture +Practical)

#### Unit I: Financial Planning and Financial products:

3L+3P

- Introduction to Saving
- Time value of money
- Management of spending and financial discipline

#### Exercise:

- a) Storytelling and discussion of Case Studies
- b) Class Discussion on Needs vs. Wants. Ask students to list and discuss the difference between needs and wants.
- c) Ask students to maintain a cash budget/cash book of monthly expenses and track spendings.
- d) Discussion of real-life examples to understand the measurement of time value of value.

### Suggested topics to be cover

Introduction to savings & Importance of savings, Management of spending & exercising financial discipline, financial goals (individuals), Steps of financial planning, Meaning, importance & measurement of Time value of money, Concept of Annuity, Concept and calculation of EMI, Real vs Nominal Return

#### Unit II: Banking and Digital Payment:

4L+4P

- Banking products and services
- Digitisation of financial transactions: Debit Cards (ATM Cards) and Credit Cards. Net banking and UPI, digital wallets
- Security and precautions against Ponzi schemes and online frauds

### **Exercise:**

- a) Survey of awareness of Banking Products among vulnerable groups.
- b) Imparting the Knowledge about the Banking Products and Services.
- c) Challenge students to research the best savings account rate, using the internet.
- d) Visit the slum areas and campaign to increase financial awareness

### **Suggested topics to be cover**

- Types of Bank Account and Cards, Offline/Online opening Accounts, Different Banking and Digital Payment, Digital Banking Products, Mobile Banking, Cards, EMV Technology, Cash Re-Cyclers, Cash Deposit Machines – CDRs, Branchless Banking, Automated Teller Machines, POS (point of sale) Terminals, Marketing of Digital Banking Products and new developments in Digital Banking, Payment Systems- BHIM/UPI, Internet Banking, Financial Frauds, and Debt trap

### **Unit III: Investment planning and Management:**

**4L+4P**

- Investment opportunity and financial products
- Insurance Planning: Life and non-life including medical insurance schemes

### **Exercise:**

- a) Downloading the historical prices from BSE/NSE website and calculating return and risk by using Excel
- b) Ask students to form a dummy portfolio of a given amount and measuring its return of a given period (e.g., one month).
- c) Measuring and comparing the NAV of dummy units of two different mutual funds company.
- d) Challenge students to research the best health insurance scheme using *internet*

### **Suggested topics to be cover**

Process and objectives of investment, Concept and measurement of return & risk, Introduction to portfolio risk and return, Diversification & Portfolio formation, Mutual fund & Pension Funds schemes including SIP, Risk Management and need for protection planning, Risk of mortality, health, disability, and property, Life and non-life insurance schemes, Inflation in the time value of money, Health insurance

### **Unit IV: Personal Tax**

**4L+4P**

- Introduction to basic Tax Structure in India for personal taxation

- Aspects of Personal tax planning
- Exemptions and deductions for individuals
- e-filing

### **Exercise:**

- a) Filling of ITR-1
- b) Applying a PAN Card

### **Suggested topics to be cover**

Introduction to personal Income Tax, Basic definitions, Heads of Income, Personal Tax Planning-Tax Exemptions and Deduction, Income Tax slabs, Income Tax calculation

*Note: Some of the theoretical concepts would be dealt with during practice hours.*

### **Practical/ Practice Component**

**(15 sessions of 2 hours each= 30 hours)**

- The case study method may be followed as a teaching pedagogy.
- Numerical questions pertaining to each unit wherever applicable should be practiced.
- Any other Practical/Practice as decided from time to time

### **References**

- Introduction to Financial Planning (4th Edition 2017) – Indian Institute of Banking & Finance.
- Sinha, Madhu. Financial Planning: A Ready Reckoner July 2017, McGraw Hill. Additional Resources
- Halan, Monika. Let's Talk Money: You've Worked Hard for It, Now Make It Work for You July 2018 Harper Business.
- Pandit, Amar the Only Financial Planning Book that You Will Ever Need, Network 18 Publications Ltd

### **Assessment Methods\***

**Internal Assessment: 25%**

**End Semester Theory Exam: 25%**

**Practical: 50%**

**\*Subject to directions from the Examination Branch/University of Delhi from time to time**

Prof. Anil Kumar

(Member, Steering Committee, VAC)

Prof. Saloni Gupta

(Convener, Financial Literacy)