



# *Financial Literacy*

## (Value Addition Course)

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)



Shared on Whatsapp Group of Financial Literacy by

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## Unit-IV: Personal Tax

You may emphasize while teaching students

- (1) Numerical / Practical questions on Tax Slabs in **New and Old Tax Regime**
- (2) Deductions under Old Tax Regime: **Standard Deduction**; Deductions under **Sections 80C, 80D, 80E, 80TTA**
- (3) **Calculation of Tax on Total Income** using spreadsheet or Income Tax Calculator on Income Tax Website

20-01-23, Compiled by **Dr SB Rathore (Tax Doctor)** M.Com; M.Phil; LL.B; Ph.D. Associate Professor of Commerce (**Oct-1977 to Dec-2019**) Shyam Lal College

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Shared on Whatsapp Group of Financial Literacy on Sunday, 05-02-2023 by

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## Examination Scheme

1. The Total Examination is of **80 Marks**.
2. Theory End semester examination is of **30 Marks** (Duration 60 Minutes).

*First compulsory question in the form of short notes with three short notes out of which students are required to attempt any two. Each short note will be of 5 marks each. There will be three long answer questions out of which the students are required to attempt any two questions. Each long answer question will be of 10 marks each.*

3. Internal Assessment is of **10 Marks**.
4. Practical Examination is of **40 Marks**
  - (a) **20 Marks** for Continuous Evaluation
  - (b) **10 Marks** for Viva
  - (c) **10 marks** for End semester Practical Examination.

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