



Avinashilingam Institute for Home Science and Higher Education for Women

Deemed to be University Estd. u/s 3of UGC Act 1956, Category A by MHRD (now MoE)

Re-accredited with an A++ Grade by NAAC CGPA 3.65/4, Category I by UGC

Coimbatore - 641043, Tamil Nadu, India

Continuous Internal Assessment II –October 2025

III Semester

Class : II UG
Major : All Major

Time : 2 Hours
Max. Marks : 60

23BCOGE3 Introduction to Personal Finance

Course Outcomes:

- CO1: Analyse the various source of borrowing and payment systems available to the clients
- CO2: Create a plan for Debt Management and Financial Portfolio
- CO3: Compute marginal and Average Tax Brackets
- CO4: Analyse the Risk Management Techniques
- CO5: Ability to calculate Retirement Funding

Part A

6 x 1 = 6

Choose the Correct Answer

1. Long-range personal tax planning primarily focuses on:
a. Sudden tax-saving just before the filing deadline
b. Structuring finances for future goals like retirement and children's education
c. Only claiming House Rent Allowance (HRA) deductions
d. Avoiding payment of advance tax
CO3: K1
2. Tax deduction refers to
a. Amount subtracted from total taxable income as per the Income Tax Act
b. Concealing income to escape tax
c. Using loopholes to postpone tax
d. Paying tax in foreign jurisdictions only
CO3: K1
3. Unit Linked Insurance Plan (ULIP) provides:
a. Only health insurance benefits
b. Only guaranteed fixed returns
c. Both life cover and market-linked investment options
d. Only accidental death benefit
CO4: K1
4. Engineering insurance is typically taken to cover
a. Loss of crops due to drought
b. Damage to machinery and construction risks
c. Accidental death of the insured
d. Health-related expenses of employees
CO4: K1
5. The Public Provident Fund (PPF) account has a maturity period of:
a. 5 years b. 10 years c. 15 years d. 20 years
CO5: K1
6. Tax treatment of EPF withdrawals is fully exempt if:
a. The employee has completed at least 5 years of continuous service
b. The employee is below 40 years of age
c. The employee invests the amount in PPF immediately
d. The employee withdraws after 1 year of leaving the job
CO5: K1

Part B

3 x 6 = 18

Answer ALL questions

Each answer should not exceed 400 words or two pages

- 7.(a) Differentiate between tax planning, tax avoidance, and tax evasion with Suitable examples. CO3: K2
(or)
- 7.(b) Describe the difference between life insurance and general insurance with examples. CO3: K2
- 8.(a) Explain the difference between temporary total disability and permanent partial disability with suitable example. CO4: K2
(or)

- 8.(b) List out any five examples of non-life insurance schemes available in India. CO4: K1
- 9.(a) Define retirement planning. List four key financial goals that should be considered while planning for retirement. CO5: K1
- (or)
- 9.(b) Explain the objectives of the New Pension Scheme in brief. CO5: K2

Part C

3 x 12 = 36

Answer ALL questions

Each answer should not exceed 800 words or four pages

- 10.(a) Discuss the objectives of personal tax planning and how they contribute to financial stability. CO3: K2
- (or)
- 10.(b) Elucidate the role of exemptions in encouraging certain taxpayer behaviors, such as savings and investment. CO3: K2
- 11(a) State the tax benefits available on health insurance premiums under Section 80D of the Income Tax Act. CO4: K2
- (or)
- 11.(b) Explain the role of insurance in financial security for individuals and families. CO4: K2
- 12 (a) Explain the objective of a reverse mortgage scheme for senior citizens. CO5: K2
- (or)
- 12.(b) Elucidate the benefits offered under the Employees' Provident Fund and Employees' Pension Scheme. CO5: K2

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