

Learning Objectives

The Learning Objectives of this course are as follows:

- To offer an integrated approach to the understanding of concepts and applications of financial planning.
- To help the students in their financial planning.

Learning outcomes

The Learning Outcomes of this course are as follows:

- After studying this course, students will be able to understand the importance of financial literacy and the institutions providing financial services.
- After studying this course, students will be able to prepare a financial plan, budget and manage personal finances.
- After studying this course, students will be able to open, avail and manage services offered by banks.
- After studying this course, students will be able to open, avail and manage services offered by post offices.
- After studying this course, students will be able to plan for life insurance and property insurance.
- After studying this course, students will be able to choose instruments for investment in shares.

Unit 1: Introduction, Financial Planning and Budgeting

Meaning, importance and scope of financial literacy; Prerequisites of financial literacy – level of education, numerical and communication ability; Various financial institutions – banks, insurance companies, post offices, mobile app based services. Need of availing of financial services from banks, insurance companies and postal services. Concept of economic wants and means for satisfying these needs; Balancing between economic wants and resources; Meaning, importance and need for financial planning; Personal budget, family budget, business budget and national budget; Procedure for financial planning and preparing a budget; Budget surplus and budget deficit, Avenues for savings from surplus, Sources for meeting the deficit.

Unit 2: Banking Services

Types of banks; Banking products and services – Various services offered by banks; Types of bank deposit accounts – savings bank account, term deposit, current account, recurring deposit; pan card, address proof, KYC norm; Various types of loans – education loan, consumer durable loan, vehicle loan, housing loan, short term, medium term, long term, microfinance, bank overdraft, cash credit, mortgage, reverse mortgage, hypothecation, pledge, Agricultural and related interest rates offered by various nationalized banks; Cashless banking, e-banking, check counterfeit currency; CIBIL, ATM, net banking, RTGS, NEFT, IMPS, electronic clearance services (ECS), debit and credit card, app based payment system, bank draft and pay order; banking complaints and ombudsman.

Unit 3: Financial Services from India Post Office

Post office savings schemes: savings bank, recurring deposit, term deposit, monthly income scheme, kisan vikas patra, NSC, PPF, senior citizen savings scheme, sukanya samriddhi yojana; india post payments bank. money transfer: money order, e-money order. instant money order, collaboration with the western union financial services; mo videsh, international money transfer service, money gram international money transfer, indian postal order.

Unit 4: Insurance Services

Life insurance policies: life insurance, term life insurance, endowment policies, pension policies, ULIP, health insurance plans, comparison of policies offered by various life insurance companies, comparison of policies offered by various health insurance companies. Property insurance policies. Post office life insurance schemes: postal life insurance and rural postal life insurance.

Unit 5: Stock Markets – Some Basic Concepts

Terms used in stock markets: SENSEX, NIFTY, primary markets, secondary markets, initial public offering(IPO), follow-on public offering (FPO), offer for sale (OFS), block deal, equity shares, preference shares, debentures, bonus shares, stock split, dividend, buyback, DEMAT account, trading account, delivery instruction slip (DI Slips), blue chips, defensive stocks, face value, market value, market capitalisation, pre-opening session, trading session, opening price, closing price, business days, bull, bear, bull market, bear market, risk, stop loss, derivatives, call option, put option, hedge, holding period; Tax on short term capital gains and long-term capital gains, Mutual Fund and its various schemes.

Practical Exercises:

The learners are required to:

- visit banks, post offices, and insurance companies to collect information and required documents related to the services offered by these institutions and to know the procedure for availing of these services.
- carry out the comparative analysis of different types of life insurance policies.
- carry out the comparative analysis of different types of health insurance policies.
- prepare a personal and family budget for one/six/ twelve months on imaginary figures.

Suggested Readings:

- Avadhani, V. A. "Investment Management" Himalaya Publishing House Pvt. Ltd., Mumbai.
- Batra, J.K., Accounting and Finance for Non-finance Managers, Sage Textbook
- Chandra, P. "Investment Game: How to Win" Tata McGraw Hill Education, New Delhi.
- Kothari, R. "Financial Services in India-Concept and Application" Sage Publications India Pvt. Ltd., New Delhi.
- Milling, B. E. "The Basics of Finance: Financial Tools for Non-Financial Managers" Universe Company, Indiana,
- Mittra, S., Rai, S. K., Sahu, A. P., & Starn, H. J. "Financial Planning" Sage Publications India Pvt. Ltd., New Delhi.
- Zokaityte, A. "Financial Literacy Education" Palgrave Macmillan, London.