



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **FIN2113 Financial Planning & Wealth Management**
Semester & Year : Jan – April 2023
Lecturer/Examiner : Muhammad Firdaus Akmal
Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
PART A (60 marks) : TWO (2) case study questions. Answers are to be written in the Answer Booklet provided.
PART B (40 marks) : THREE (3) essay questions. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple-choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

Total Number of pages = 5 (Including the cover page)

PART A**: CASE STUDY QUESTIONS (40 MARKS)****INSTRUCTION (S)**: Answer all **TWO (2)** case study questions.

Write your answers in the Answer Booklet (s) provided.

Jackson Daniels has a habit of spending-spree habit particularly using his credit card (Maybank Visa Infinite Credit Card). His preference of payment is only the minimum amount each time the statement arrives. On 1st July 2022, his outstanding balance was already a hefty RM15,800. However, he never seems to be daunted with the danger of overspending. It did not deter him from keep on spending.

On 3rd July, he bought a pair of shoes costing RM830, a matching belt costing RM550 and a designer suit costing RM1,180 in KLCC. On 8th July, he had purchased the latest iPad Pro 12.9 Wifi M1 at the Machine store, and this cost RM4,800. Since it was a big amount, the store, collaborated with Maybank Visa Infinite Credit Card offered customers who made large purchase to turn into smaller payments with an instalment payment scheme. Mr Daniels thus agreed to this instalment payment of 12 months and the first instalment was effective on the date of purchase.

Other transactions that Mr. Daniels paid for using his credit card were:

Date	Transactions	RM
10 July	Groceries at online Segi Farmer's Fresh	160
12 July	Shopee online	280
14 July	Lazada online	380
16 July	Amazon.com (e-book) at USD\$47 @RM4.27 (Round to the nearest RM)	
18 July	Carousell online	120
21 July	Carousell online	390
23 July	Lazada online	110
25 July	Payment	2,000
28 July	Shopee online	30

There was also a refund of RM290 a transaction wrongly debited to his account in June 2022. The refund would be credited to his account on 30 July 2022.

QUESTION 1

- a) Using the average daily balance method including current purchases, compute the following:
- i. Average daily balance (2 marks)
 - ii. Total interest charge (2 marks)
 - iii. Amount of outstanding balance (2 marks)
 - iv. Minimum payment (2 marks)
 - v. Outstanding payment after minimum payment (2 marks)

Assume that the interest charged is 18% per annum on the unpaid balance and the minimum payment required is 5%.

- b) In your opinion, explain **TWO (2)** steps how Mr Daniel's can change his spending habit for monthly personal financial planning throughout the year.

(10 marks)

(Total: 20 marks)

QUESTION 2

- a) Mr Daniel wants to go on a vacation sometime in the 2 years. Describe **FIVE (5)** ways that he should do take to generate the money he needs for the trip.

(10 marks)

- b) Briefly explain **FIVE (5)** features that Mr Daniel need to know before making decision on using credit card services.

(10 marks)

(Total: 20 marks)

END OF PART A

PART B : ESSAY QUESTIONS (60 MARKS)

INSTRUCTION (S) : Answer all THREE (3) essay questions.

Write your answers in the Answer Booklet (s) provided.

QUESTION 1

a) Explain **TWO (2)** the primary consideration when evaluating time value of money. Provide a relevant example to support your answer.

(10 marks)

b) Below is the information for Bradley who work as a truck driver:

- Bradley earns RM 8.70 per hour as a delivery truck driver.
- If he works more than 40 hours from Monday through Friday work week, he earns time and 1.5 times more on overtime. (RM 8.70 x 1.5x)
- He earns double time when he works on holidays.
- Last week, Brad worked 11 hours on Monday, 8 hours on Tuesday, 9.5 hours on Wednesday, 9 hours on Thursday and Friday, and 5 hours on Saturday, which was a holiday.

Based on the information above, calculate Bradley's gross earnings for the week.

(10 marks)

(Total: 20 marks)

QUESTION 2

a) Explain **FIVE (5)** importance of estate planning.

(10 marks)

b) Briefly explain **FIVE (5)** importance of budgeting.

(10 marks)

(Total: 20 marks)

QUESTION 3

Out of frustration, Shirley poured her feelings on her Instagram account dated 24th August 2022:

'Hi! I am 22 years old. I have joined the hospitality industry seven months back and is earning a monthly salary of RM 3,600 (i.e., about RM3,300 take-home after deductions). Last seven months that I had received my salary, I had almost spent everything by treating friends, buying gifts for my near and dear ones, buying myself some feel good stuff etc...but my father, a factory manager, wants me to cut down on the spending and start saving. Save for what?! My life looks cool now and I want to enjoy it fully!!'

Based on the scenario above, explain **FIVE (5)** steps she can take to create her financial life goals.

(20 marks)

[Total: 60 marks]

END OF EXAM PAPER