



## BERJAYA BUSINESS SCHOOL

### FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) :

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Course Code & Name : **FIN2113 FINANCIAL PLANNING & WEALTH MANAGEMENT**  
 Trimester & Year : MAY – AUGUST 2018  
 Lecturer/Examiner : KHAIRIL BAHARI/JAMES LIOW  
 Duration : 3 Hours

### INSTRUCTIONS TO CANDIDATES

- This question paper consists of 2 parts:
  - PART A (25 marks) : Answer all THREE (3) short answer questions. Answers are to be written in the Answer Booklet provided.**
  - PART B (75 marks) : Answer all FOUR (4) structure answer questions. Answers are to be written in the Answer Booklet provided.**
- Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
- 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.
- 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 = 3 (Including the cover page)**

**PART A**

**: SHORT ANSWER QUESTIONS (25 MARKS)**

**INSTRUCTION(S)**

: Answer **ALL** questions. Write your answers in the Answer Booklet(s) provided.

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**QUESTION 1**

*'Financial planning helps you determine your short and long-term financial goals and create a balanced plan to meet those goals'.*

- a) Briefly describe the process of personal financial planning and the purpose of having a personal financial plan. (5 marks)
- b) State **FIVE (5)** components of a financial plan. (5 marks)

**[Total 10 marks]**

**QUESTION 2**

*'Estate Planning is broadly concerned with making arrangements to most effectively and efficiently deal with your personal assets after you have passed away'.*

- a) Briefly explain the purpose and the importance of estate planning. (5 marks)
- b) Briefly describe the process of creating a valid will. Indicate the requirements for a will to be valid. (5 marks)
- c) In addition to wills and trusts, estate planning also involves some other key decisions regarding a living will and power of attorney. Describe the living will and provide **ONE (1)** example of living will. (5 marks)

**[Total 15 marks]**

**[Total: 25 marks]**

**END OF PART A**

**PART B : STRUCTURE QUESTIONS (75 MARKS)**

**INSTRUCTION(S)** : Answer all **FOUR (4)** questions. Write your answers in the Answer booklet(s) provided.

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**QUESTION 1**

*'Retirement is one of the most important life events many of us will ever experience. From both a personal and financial perspective, realizing a comfortable retirement is an extensive process that takes sensible planning and years of persistence'.*

- a) Identify and discuss **THREE (3)** biggest mistakes people tend to make when setting up retirement planning. (23 marks)
  - b) State any **TWO (2)** sources of retirement planning. (2 marks)
- [25 marks]**

**QUESTION 2**

*'Life insurance not only provides peace of mind to you and your loved ones but can be an essential part of a sound financial plan'.*

- a) Discuss the role of life insurance in financial planning process. (10 marks)
  - b) Why is it so important to have sufficient coverage of life insurance? (5 marks)
  - c) Do you think everyone needs life insurance coverage? Explain. (5 marks)
- [Total 20 marks]**

**QUESTION 3**

*'Investment is part of the overall financial planning. The amount of savings available could be utilised to invest different types of investment to maximise the returns'.*

Discuss any **THREE (3)** types of financial instruments. (15 marks)

**[Total 15 marks]**

**QUESTION 4**

*'Money management describes the decisions you make over a short-term period regarding your cash inflows and outflows. It is separated from decisions about investing funds or borrowing funds for a long-term period'.*

- a) Define the term liquidity in financial planning. (2 marks)
  - b) Discuss the relationship between liquidity and returns on investing the assets. (5 marks)
  - c) By using credit cards for short term money management as a source of liquidity, discuss the **THREE (3)** advantages and **ONE (1)** disadvantage of credit cards. (8 marks)
- [Total 15 marks]**

**[Total 75 marks]**

**END OF EXAM PAPER**