

Jharkhand University of Technology

Ranchi, 834010



SCHEME OF INSTRUCTION AND SYLLABUS

For Diploma Program

Mastering Personal Finance (Basic to Advance Strategies)

(Effective from 2024-25)

AUDIT COURSE

Detailed Draft Syllabus

Diploma

(IV – SEMESTER)

Mastering Personal Finance - Course Structure (30 Hours)

Chapter	Video (in min)	Reading Material (in min)	Quiz (in min)	Project (in min)
Understanding Financial Literacy	15	50	25	30
Setting Life and Financial Goals	20	40	30	30
Income, Expenditure, and Effective Budgeting	20	45	25	30
Savings: Why and How	15	45	30	30
Retirement Planning Essentials	25	40	25	30
Investing Fundamentals	25	45	20	30
Cashless Transactions and Digital Banking	30	30	30	30
Inflation: Understanding and Mitigating Impact	50	30	20	20
Loans and Credit Management	25	35	30	30
Insurance as a Financial Tool	20	40	30	30
Comprehensive Financial Planning	30	30	30	30
Credit Scores and Credit Card Management	35	45	20	20
Avoiding Financial Scams	45	30	15	30
Advanced Investment Strategies	25	35	30	30
Financial Legislation and Consumer Rights	40	30	20	30

30 Hours Personal Finance - Detailed Course Structure

Chapter	Sub Topic	Detailed Structure
1. Understanding Financial Literacy	Importance in the modern world	<p>Introduction to Financial Literacy:</p> <ul style="list-style-type: none"> - Definition and scope of financial literacy. - Overview of its significance in personal and professional life. <p>The Impact of Financial Literacy on Personal Well-being :</p> <ul style="list-style-type: none"> - How financial literacy contributes to personal financial health. - Case studies or examples showcasing the benefits of being financially literate. <p>Financial Literacy and Economic Empowerment :</p> <ul style="list-style-type: none"> - The role of financial literacy in fostering economic independence. - Importance in decision-making for investments, savings, and spending. <p>Global Perspective :</p> <ul style="list-style-type: none"> - A look at financial literacy in different parts of the world. - How different cultures approach financial education and its effects.
	Key financial concepts and jargon	<p>Basic Financial Terms :</p> <ul style="list-style-type: none"> - Introduction to fundamental terms like savings, investments, credit, debt, interest rates, inflation, etc. - Use of simple examples to explain each term. <p>Understanding Financial Products and Services:</p> <ul style="list-style-type: none"> - Overview of common financial products like bank accounts, credit cards, loans, insurance, stocks, bonds, mutual funds, etc. - Their purpose and how they are used in everyday financial planning. <p>Financial Statements and Reports:</p> <ul style="list-style-type: none"> - Basics of personal financial statements, including budget, net worth statement, and cash flow statement. - How to read and interpret these statements. <p>Navigating Financial Risks :</p> <p>Introduction to the concept of financial risk. Basic risk management strategies in personal finance.</p>
2. Setting Life and Financial Goals	Aligning financial planning with life aspirations	Part 1: Aligning Financial Planning with Life Aspirations

		<p>Introduction to Life Aspirations and Financial Planning :</p> <ul style="list-style-type: none"> - Discussing the interconnection between life goals (like career, family, travel, home ownership) and financial planning. - Importance of financial planning in achieving life aspirations. <p>Case Studies: Real-Life Examples :</p> <ul style="list-style-type: none"> - Presenting case studies or stories of individuals who successfully aligned their financial planning with their life goals. - Discussing different life stages and corresponding financial planning needs. <p>Personal Reflection and Identification of Goals :</p> <ul style="list-style-type: none"> - Guiding students to reflect on their own life aspirations. - Exercise: Identifying short-term, medium-term, and long-term life goals.
	<p>Smart goal-setting techniques</p>	<p>Part 2: Smart Goal-Setting Techniques</p> <p>Principles of SMART Goals:</p> <ul style="list-style-type: none"> - Explaining the SMART framework (Specific, Measurable, Achievable, Relevant, Time-bound). - Applying SMART principles to financial goals. <p>Setting Effective Financial Goals:</p> <ul style="list-style-type: none"> - Steps to set practical and achievable financial goals. - Balancing ambitious goals with realistic expectations. <p>Creating a Personalized Goal Plan:</p> <p>Interactive activity: Each student creates their own set of financial goals using the SMART framework.</p> <p>Discussing how to adjust and reassess goals over time.</p>
<p>3. Income, Expenditure, and Effective Budgeting</p>	<p>Analyzing income streams</p>	<p>Part 1: Analyzing Income Streams</p> <p>Understanding Different Types of Income:</p> <ul style="list-style-type: none"> - Explaining various income sources: salary, passive income, freelancing, investments. - Importance of diversifying income streams. <p>Assessing and Tracking Income :</p> <ul style="list-style-type: none"> - Techniques for effectively tracking and recording different income streams. - Tools and apps for income management. <p>Practical Exercise: Income Analysis :</p> <ul style="list-style-type: none"> - Activity for students to analyze and document their own income sources.

	<p>Categorizing expenses</p>	<p>Part 2: Categorizing Expenses Types of Expenses: - Identifying fixed vs. variable expenses. - Understanding discretionary and non-discretionary spending.</p> <p>Expense Tracking Methods: - Tools and techniques for monitoring and categorizing expenses. - Importance of keeping a regular check on spending.</p>
	<p>Advanced budgeting methods and tools</p>	<p>Part 3: Advanced Budgeting Methods and Tools</p> <p>Introduction to Budgeting Techniques: - Overview of different budgeting methods (e.g., zero-based budgeting, 50/30/20 rule). - Pros and cons of each method.</p> <p>Using Budgeting Tools : - Demonstration of various budgeting tools and software. - Integrating technology into personal finance management.</p> <p>Creating a Personal Budget: - Guided activity for students to create their own budget using a chosen method. - Discussion on the importance of regular budget review and adjustment.</p>
<p>4. Savings: Why and How</p>	<p>Building emergency funds</p>	<p>Part 1: Building Emergency Funds</p> <p>Introduction to Emergency Funds : - Explaining what emergency funds are and their importance. - Real-life scenarios where emergency funds are essential.</p> <p>Determining the Size of Emergency Funds : - Factors to consider when deciding how much to save. - Guidelines for different life stages and financial situations.</p> <p>Strategies for Building Emergency Funds : - Practical tips for starting and growing an emergency fund. - Methods for setting aside money (e.g., automated transfers, dedicated savings accounts).</p>
	<p>Savings instruments and strategies</p>	<p>Part 2: Savings Instruments and Strategies</p> <p>Overview of Savings Instruments :</p>

		<ul style="list-style-type: none"> - Introduction to various savings options like savings accounts, fixed deposits, recurring deposits, government bonds, etc. - Pros and cons of each instrument. <p>Developing a Savings Plan:</p> <ul style="list-style-type: none"> - Creating personalized savings goals. - Aligning savings strategies with financial goals and risk tolerance. <p>Advanced Savings Strategies:</p> <ul style="list-style-type: none"> - Techniques for maximizing savings (e.g., high-interest accounts, ladder deposits). - Integrating savings into overall financial planning.
<p>5. Investing Fundamentals</p>	<p>Diverse investment vehicles</p>	<p>Part 1: Diverse Investment Vehicles</p> <p>Introduction to Investment Vehicles :</p> <ul style="list-style-type: none"> - Definition and purpose of investments. - Overview of different types of investment vehicles: stocks, bonds, mutual funds, ETFs (Exchange-Traded Funds), real estate, commodities, and more. <p>Characteristics of Each Investment Type :</p> <ul style="list-style-type: none"> - Detailed discussion on the nature, risks, and potential returns of each investment type. - How each investment fits into different financial goals and time horizons. <p>Getting Started with Investments :</p> <ul style="list-style-type: none"> - Basic steps to start investing in different vehicles. <p>Introduction to investment platforms and tools.</p>
	<p>Risk assessment and portfolio management</p>	<p>Part 2: Risk Assessment and Portfolio Management</p> <p>Understanding Risk in Investing :</p> <ul style="list-style-type: none"> - Concept of risk and risk tolerance. - How to evaluate personal risk tolerance. <p>Fundamentals of Portfolio Management :</p> <ul style="list-style-type: none"> - The importance of diversification in reducing risk. - Basic principles of asset allocation and portfolio balance. <p>Practical Exercise: Creating a Mock Portfolio :</p> <ul style="list-style-type: none"> - Guided activity where students create a hypothetical investment portfolio based on different risk profiles. - Discussion on how portfolio choices change with market conditions and life stages.

6. Retirement Planning Essentials	Understanding compound interest	<p>Part 1: Understanding Compound Interest</p> <p>Basics of Compound Interest :</p> <ul style="list-style-type: none"> - Definition and explanation of compound interest. - How compound interest differs from simple interest. - The mathematical formula and calculations for compound interest. <p>The Power of Compounding in Long-Term Savings:</p> <ul style="list-style-type: none"> - Real-world examples demonstrating the impact of compound interest over time. - The importance of starting early: “The earlier you start, the more you benefit” principle. <p>Interactive Exercise: Compound Interest Calculations :</p> <ul style="list-style-type: none"> - Practical activity where students calculate compound interest on various scenarios. - Discussion on the implications of compounding on savings and investments.
	Retirement accounts and healthcare planning	<p>Part 2: Retirement Accounts and Healthcare Planning</p> <p>Introduction to Retirement Accounts :</p> <ul style="list-style-type: none"> - Overview of different types of retirement accounts. - Benefits and limitations of each type of account. <p>Tax implications and withdrawal rules.</p> <p>Healthcare Planning for Retirement :</p> <ul style="list-style-type: none"> - The importance of healthcare planning in retirement. - Options for healthcare in retirement (e.g., health insurance, government programs). - Estimating healthcare costs in retirement. <p>Case Study and Planning Exercise :</p> <ul style="list-style-type: none"> - Analyzing case studies of retirement planning scenarios. - Guided activity: Students create a basic retirement plan considering healthcare needs.
7. Cashless Transactions and Digital Banking	Evolution of digital payments	<p>Part 1: Evolution of Digital Payments</p> <p>History and Development of Digital Payments :</p> <ul style="list-style-type: none"> - Timeline of digital payment methods from traditional banking to modern digital transactions. - Introduction to various digital payment systems like online banking, mobile payments, UPI, e-wallets, contactless payments, etc.

		<p>Current Trends in Digital Payments :</p> <ul style="list-style-type: none"> - Analysis of current trends and popular platforms in digital payments. Global vs. local trends in digital transactions. <p>Future of Digital Payments :</p> <ul style="list-style-type: none"> - Predictions and upcoming innovations in digital payments. - Discussion on the growing role of cryptocurrencies and blockchain in digital transactions.
	<p>Security in digital finance</p>	<p>Part 2: Security in Digital Finance</p> <p>Fundamentals of Digital Security :</p> <ul style="list-style-type: none"> - Understanding the basics of digital security and privacy. - Common threats in digital transactions (like phishing, identity theft, frauds). <p>Safe Practices in Digital Banking and Transactions :</p> <ul style="list-style-type: none"> - Best practices for ensuring security in online banking and digital payments (like using strong passwords, two-factor authentication, secure networks). - Recognizing and avoiding scams and fraudulent schemes. <p>Interactive Session: Real-World Scenarios and Solutions :</p> <ul style="list-style-type: none"> - Presentation of various real-world scenarios involving digital transaction security.
<p>8. Inflation: Understanding and Mitigating Impact</p>	<p>Inflation types and measurement</p>	<p>Part 1: Inflation Types and Measurement</p> <ul style="list-style-type: none"> - Introduction to Inflation : - Definition and basic concepts of inflation. How inflation is an integral part of economic systems. <p>Types of Inflation :</p> <ul style="list-style-type: none"> - Different types of inflation, such as demand-pull, cost-push, and built-in inflation. - Examples to illustrate each type. <p>Measuring Inflation :</p> <ul style="list-style-type: none"> - Tools and indices for measuring inflation, like the Consumer Price Index (CPI) and Wholesale Price Index (WPI). - How these measurements impact economic policy and individual finances. <p>Global Inflation Trends :</p> <ul style="list-style-type: none"> - A brief overview of historical and current global inflation trends.

		<ul style="list-style-type: none"> - Comparison with local (Indian) inflation trends.
	<p>Strategies for inflation-proofing investments</p>	<p>Part 2: Strategies for Inflation-Proofing Investments</p> <ul style="list-style-type: none"> - Impact of Inflation on Investments : - How inflation affects various investment vehicles. <p>The concept of real return vs. nominal return.</p> <p>Inflation-Proofing Investment Strategies :</p> <ul style="list-style-type: none"> - Investment options that typically fare well during high inflation periods, like inflation-indexed bonds, real estate, stocks, commodities, etc. - How to diversify investments to mitigate inflation risk. <p>Practical Exercise: Creating an Inflation-Resistant Portfolio :</p> <ul style="list-style-type: none"> - Interactive activity where students analyze different investment options and create a mock portfolio designed to withstand inflation.
<p>9. Loans and Credit Management</p>	<p>Types of loans and interest calculations</p>	<p>Part 1: Types of Loans and Interest Calculations</p> <ul style="list-style-type: none"> - Overview of Different Types of Loans : - Explaining various loan types: personal loans, educational loans, home loans, auto loans, payday loans, etc. - Discussing the purpose and typical terms of each loan type. <p>Interest Rate Structures :</p> <ul style="list-style-type: none"> - Understanding different interest rate types: fixed, variable, and compound interest. - How interest rates are determined and what factors influence them. <p>Calculating Loan Interest :</p> <ul style="list-style-type: none"> - Basic formulas for calculating interest on loans. - Practical examples and exercises to calculate interest for different loan scenarios.
	<p>Strategies for effective debt management</p>	<p>Part 2: Strategies for Effective Debt Management</p> <ul style="list-style-type: none"> - Principles of Debt Management : - Understanding good debt vs. bad debt. - Importance of managing debt and maintaining a healthy credit score. <p>Debt Repayment Strategies :</p> <ul style="list-style-type: none"> - Techniques like the debt snowball and debt avalanche methods.

		<ul style="list-style-type: none"> - Tips on prioritizing debt repayment and avoiding common pitfalls. <p>Managing Credit Cards and Revolving Credit :</p> <ul style="list-style-type: none"> - Best practices for using credit cards. - Understanding minimum payments and the impact of revolving credit on financial health.
10. Insurance as a Financial Tool	Principles and types of insurance	<p>Part 1: Principles and Types of Insurance</p> <p>Introduction to Insurance Principles :</p> <ul style="list-style-type: none"> - Explaining the concept of insurance as a risk management tool. - Fundamental principles: indemnity, insurable interest, and the law of large numbers. <p>Types of Insurance Policies :</p> <ul style="list-style-type: none"> - Overview of different types of insurance: life, health, auto, property, and liability. - Features and purposes of each insurance type. <p>Understanding Insurance in Personal Finance :</p> <ul style="list-style-type: none"> - Role of insurance in financial planning. - Case examples of how insurance policies aid in risk management.
	Choosing appropriate insurance policies	<p>Part 2: Choosing Appropriate Insurance Policies</p> <p>Factors to Consider When Selecting Insurance :</p> <ul style="list-style-type: none"> - Coverage needs, policy terms, premiums, deductibles, and exclusions. - Reading and understanding insurance policy documents. <p>Comparing and Evaluating Insurance Products :</p> <ul style="list-style-type: none"> - Methods for comparing different insurance policies. - Utilizing tools and resources for insurance evaluation. <p>Individual Exercise: Evaluating Insurance Needs :</p> <ul style="list-style-type: none"> - Exercise for students to assess their own or hypothetical insurance needs. - Guidelines for selecting suitable insurance based on individual scenarios.
11. Comprehensive Financial Planning	Constructing a financial plan	<p>Part 1: Constructing a Financial Plan</p> <p>Introduction to Financial Planning :</p> <ul style="list-style-type: none"> - Definition and objectives of financial planning. - Importance of financial planning in achieving

		<p>financial goals.</p> <p>Steps in Constructing a Financial Plan :</p> <ul style="list-style-type: none"> - Assessing financial situation: income, expenses, assets, and liabilities. - Setting financial goals: short-term, medium-term, and long-term. - Creating a budget and savings plan. - Investment planning: aligning investments with goals and risk tolerance. <p>Monitoring and Revising the Financial Plan :</p> <ul style="list-style-type: none"> - Importance of regularly reviewing and adjusting the financial plan. - Strategies for adapting the plan to life changes and economic shifts.
	<p>Role of financial advisors</p>	<p>Part 2: Role of Financial Advisors</p> <p>Understanding the Role of Financial Advisors :</p> <ul style="list-style-type: none"> - What financial advisors do and the various types of advisors (e.g., certified financial planners, investment advisors). - When and why to consider consulting a financial advisor. <p>Choosing a Financial Advisor:</p> <ul style="list-style-type: none"> - Factors to consider: qualifications, experience, fee structure, investment philosophy. - How to find and evaluate a financial advisor. <p>Working Effectively with a Financial Advisor :</p> <ul style="list-style-type: none"> - Preparing for meetings with a financial advisor. - How to assess the advice provided and maintain a productive relationship.
<p>12. Credit Scores and Credit Card Management</p>	<p>Building and maintaining a healthy credit score</p>	<p>Part 1: Building and Maintaining a Healthy Credit Score</p> <p>Understanding Credit Scores :</p> <ul style="list-style-type: none"> - Explanation of what a credit score is and why it's important. - Factors that influence credit scores, such as payment history, credit utilization, length of credit history, types of credit used, and new credit. <p>Strategies to Build a Healthy Credit Score :</p> <ul style="list-style-type: none"> - Tips on how to establish and build credit, especially for students and young adults. - Importance of timely payments, keeping balances low, and avoiding unnecessary credit inquiries. <p>Monitoring and Improving Credit Scores :</p> <ul style="list-style-type: none"> - How and where to check credit scores and credit reports.

		<ul style="list-style-type: none"> - Steps to take if there are errors in the credit report or if the credit score is low.
	<p>Best practices for credit card usage</p>	<p>Part 2: Best Practices for Credit Card Usage</p> <p>Introduction to Credit Cards :</p> <ul style="list-style-type: none"> - Basic functions and features of credit cards. Different types of credit cards and their intended uses. <p>Responsible Credit Card Usage :</p> <ul style="list-style-type: none"> - Guidelines for using credit cards wisely to avoid debt traps. - Understanding credit card statements, interest rates, and fees. <p>Credit Card Security and Fraud Prevention :</p> <ul style="list-style-type: none"> - Keeping credit card information secure. - Recognizing and responding to credit card fraud and identity theft.
<p>13. Avoiding Financial Scams</p>	<p>Recognizing and avoiding scams</p>	<p>Part 1: Recognizing and Avoiding Scams</p> <p>Introduction to Financial Scams :</p> <ul style="list-style-type: none"> - Overview of what constitutes a financial scam. - Common tactics and psychological tricks used by scammers. <p>Types of Financial Scams :</p> <ul style="list-style-type: none"> - Detailed explanation of various scams, including phishing, advance-fee scams, lottery scams, investment fraud, and identity theft. - Real-world examples and case studies of each type of scam. <p>Strategies to Identify and Avoid Scams :</p> <ul style="list-style-type: none"> - Red flags and warning signs to look out for. - Steps to take if approached with a potential scam. - How to verify the legitimacy of financial offers or requests.
	<p>Protecting personal financial information</p>	<p>Part 2: Protecting Personal Financial Information</p> <p>Basics of Financial Information Security :</p> <ul style="list-style-type: none"> - Importance of safeguarding personal and financial data. - Types of information that need protection (bank details, social security numbers, etc.). <p>Best Practices for Financial Information Security :</p> <ul style="list-style-type: none"> - Secure handling of personal information online and offline. - Using strong passwords, secure networks, and

		<p>updated software.</p> <ul style="list-style-type: none"> - Guidance on safe banking practices, both online and offline. <p>Responding to Data Breaches and Identity Theft :</p> <ul style="list-style-type: none"> - Steps to take if personal financial information is compromised. - Reporting procedures and recovery processes in the case of identity theft.
<p>14. Advanced Investment Strategies</p>	<p>Introduction to real estate, commodities, and international markets</p>	<p>Part 1: Introduction to Real Estate, Commodities, and International Markets</p> <p>Overview of Real Estate Investing :</p> <ul style="list-style-type: none"> - Basics of real estate investment: types of properties, potential returns, risks involved. - Methods of investing in real estate: direct ownership, REITs (Real Estate Investment Trusts), real estate crowdfunding. <p>Investing in Commodities :</p> <ul style="list-style-type: none"> - Understanding commodities investment: gold, oil, agricultural products. - Ways to invest in commodities: physical ownership, futures contracts, commodity-focused funds. <p>Exploring International Markets :</p> <ul style="list-style-type: none"> - Opportunities and risks of investing in international markets. - Different ways to invest globally: international stocks, global mutual funds, ETFs, ADRs (American Depository Receipts).
	<p>Portfolio diversification techniques</p>	<p>Part 2: Portfolio Diversification Techniques</p> <p>Principles of Portfolio Diversification :</p> <ul style="list-style-type: none"> - The concept of diversification and its importance in investment strategy. - How diversification reduces risk and improves potential returns. <p>Diversification Strategies :</p> <ul style="list-style-type: none"> - Techniques for diversifying investment portfolios across different asset classes, sectors, and geographies. - Balancing a portfolio in alignment with risk tolerance and investment goals.
<p>15. Financial Legislation and Consumer Rights</p>	<p>Overview of financial laws and regulations</p>	<p>Part 1: Overview of Financial Laws and Regulations</p> <p>Introduction to Financial Legislation :</p> <ul style="list-style-type: none"> - Basic understanding of the legal framework in finance.

		<ul style="list-style-type: none"> - The role of government and regulatory bodies in financial markets (e.g., RBI, SEBI in India). <p>Key Financial Laws and Regulations :</p> <ul style="list-style-type: none"> - Overview of major laws governing banking, investments, and financial services. - Explanation of laws like the Banking Regulation Act, Companies Act, SEBI Act, etc. <p>Impact of Financial Regulations :</p> <ul style="list-style-type: none"> - How these laws affect financial institutions and the products/services they offer. - The significance of these regulations in maintaining market stability and protecting investors.
	<p>Understanding consumer rights in finance</p>	<p>Part 2: Understanding Consumer Rights in Finance</p> <p>Consumer Rights in Financial Services :</p> <ul style="list-style-type: none"> - Overview of consumer rights in the context of banking and financial services. - Rights related to fair treatment, transparency, data privacy, and grievance redressal. <p>Navigating Consumer Grievances :</p> <ul style="list-style-type: none"> - Procedures for addressing grievances in financial matters. - Role of ombudsmen and consumer courts in dispute resolution. <p>Staying Informed as a Financial Consumer :</p> <ul style="list-style-type: none"> - Importance of being an informed consumer in the financial marketplace. - Resources and tools available for consumers to educate themselves about their rights and the financial products they use.

*******THE END*******