

## IX IFM Ans.Key of Assignment 5

### Chapter 9.10

1 Ans. Goals can be defined as things we want to achieve in life, towards which we direct our efforts.

2 Ans. Investment means employment of funds in financial or real assets with an element of risk involved in respect of return and the principal amount with the hope of deriving future benefits.

3 Ans. Here is a famous goal statement from John F. Kennedy

“This nation should dedicate itself to achieving the goal before this decade is out of landing a man on the moon and returning him safely to earth”.

It is a SMART goal because of the following elements-

Specific -of landing a man on the moon and returning him safely to earth.

Measurable -We will know that it is completed when the man lands back.

Achievable -All though it is not easy but it is achievable for scientist to achieve this goal.

Realistic-resources committed from the US government it was possible to think of this mission.

Time bound-before the decade is out, as time frame of the goal is the last component.

4 Ans. Some examples of unachievable goals.

1. I will save 50,000 in next 3 years by saving 1000 every month (This goal has the specific purpose missing, you are not sure why you are saving for, if you don't know why you are saving then you will lose interest soon and it may not be achievable as you will stop saving)

2. I will save some money in the next 3 years by saving 1000 every month from my pocket money every month (This Goal cannot be measured in the end. You never know when to stop)

3. I will save 50,000 in next 3 years

4. I will save 50,000 (This goal has everything missing)

5. I will save ₹1000 every month (This goal also has everything missing)

5 Ans. 1. Goal should be set as positive statements.

2. The goals should be something you really want and not something that sounds good.

3. The goals must be consistent with your values .

4. The short term goals should enable you to achieve the long term goals .

5. One goal should not contradict other goals.

6. Assign priorities .all goals cannot be achieved at the same time. Depending up on the circumstances you shall assign priorities and work towards the goal which is having highest priority .

7. Make sure you start doing things that you can do today.

6 Ans. Systematic Investment Plan is the investment of a fixed amount in any of the financial assets at regular interval. It is the simple and timely investment strategy for accumulating wealth and capital appreciation.

Salient features of SIP

IT ALLOWS THE INVESTOR TO BUY UNITS ON A GIVEN DATE EVERY MONTH OR EVERY QUARTER.

THE INVESTOR IS FREE TO DECIDE THE AMOUNT TO BE INVESTED.

SMALL AMOUNTS CAN ALSO BE INVESTED.

TAX BENEFITS ARE AVAILABLE FOR SPECIFIED SIP SCHEMES.

7 Ans. To get return on investment in the form of dividend, interest, capital gain and capital appreciation.

To earn above inflation.

To safeguard the funds from various theft.

To get tax advantages like deductions and exemptions from income.

To create collateral security for future needs.

8 Ans.  $(\text{Sale value of the price} - \text{Purchase price}) + \text{cash received} / \text{Purchase price} * 100$

9 Ans- Time value of money is a concept that addresses the way the value of money changes over a period of time. A fixed sum of money given now and given after a period of time has different values for example if you are given an option to receive rupees 1000 today and after 5 years you want to receive it today because any product you want to purchase today for rupees 1000 may not be sold or made available for the same amount after 5 years.

10 Ans- equity Equity shares are long term financing sources of a company these. These shareholders have the right to vote, share the profits and claim the assets of a company.

ETF's pool the financial resources of several people and use it to purchase various shares, bonds etc. it is an attractive option for investors with limited knowledge of stock market. These funds track indexes Nifty sensex etc.

Mutual funds company collects money from many people to make investments in stocks, bonds etc when you invest you are buying units of a mutual fund and when you withdraw money from a mutual fund you are selling units. People who choose good quality Mutual funds make a lot of money over a long term.