

Course Description: The program aims at developing an overall understanding of the concept of financial Literacy and components of financial literacy.

Learning Objectives:

- To study the concepts of financial Literacy.
- To provide students with comprehensive understanding the significance of financial literacy.
- To understand the key issues linked to the savings, expenses, budgeting, and financial planning.
- To provide students the knowledge on the components of financial literacy – Financial Awareness, Financial Knowledge, Financial Behaviour, Financial Skill, Financial Attitude.
- To know the challenges inherent therein and initiatives taken in the country to promote Financial Literacy.

Pedagogy:

Theory classes will be conducted on various financial Literacy concepts. Lectures and case studies can be used.

Chapter - 1

Introduction to Financial literacy: Meaning, definition, need and importance of financial literacy, Components of financial literacy - Financial Knowledge, Financial Behaviour, Financial Attitude. RBI initiatives in financial literacy or education. Relevant theories.

Chapter – 2

Income - Expenses – Budgeting - Financial Goals – education, housing, healthcare, saving, & retirement. Savings – Short term – medium term – long term. Types of saving Accounts: certificate of deposit (CD) demand deposit, Individual Retirement Account (IRA), money market deposit account (MMDA) pension plan, etc.

Chapter – 3

Banking & Insurance - Banking products and services – Deposits, Debit Cards {ATM Cards), Credit Cards, Net banking, UPI and etc. Different modes of using your bank accounts. Credit and Debt Management. Simple Interest – compound interest – time value of money – future value and present value. Insurance – purpose of insurance – advantages – principles of insurance – Life and non-life including medical insurance schemes.

Chapter – 4

Personal Financial Planning and Personal Tax – meaning of personal Financial Plan, Components of personal Financial Plan. Investment – Meaning - key factors of investment – Avenues of investment – Money market and capital market – Retirement planning. Personal Tax - Introduction to basic Tax Structure in India for personal taxation - Exemptions and deductions for individuals - e-filing.

Chapter - 5

Fraud protection & Grievance redressal - Types of fraud or scams - mass marketing fraud - investment fraud - lottery scam - credit and debit card fraud - affinity fraud. Grievance redressal - banking - related complaints or frauds - securities market - related complaints or fraud - insurance - related complaints or frauds - pension - related complaints or fraud.

References:

1. Altfest – Personal Financial Planning, McGraw Hill Education
2. Gordon and Natarajan – Financial Markets and Services, Himalaya Publishing House
3. Karam Pal, Bodla, M C Garg – Insurance Management, Principles and Practices, Deep and Deep Publications
4. S. N. Maheshwari and R. R. Paul - Banking: Theory, Law and Practice - Kalyani Publishers, New Delhi.
5. Jeff Madura, K. Michael Casey, Sherry J. Roberts - Personal financial literacy p. cm. second edition – Pearson.
6. Financial Literacy for people newly inducted into the Financial System - First Edition – December 2015 – RBI

Course Outcomes: Student should be able to:

CO1. Understand the concept of financial Literacy.

CO2. Understand the concept of financial Planning.

CO3. Explain the Components of Financial Literacy – Financial Awareness, Financial Knowledge, Financial Attitude, Financial Behaviour, And Financial Skill.

CO4. Understands the challenges and initiatives taken in the country to promote Financial Literacy.

Evaluation Pattern:

Theoretical examination will be conducted to evaluate the knowledge on financial Literacy.