INDIRA UNIVERSITY, PUNE

SCHOOL OF INFORMATION TECHNOLOGY- BSC CS / BSC DS / BSC CYS

Term End Examination (2025 Pattern) April- May – 2026- Semester – II

Course Name: Financial Literacy- I **Max. Marks: 25**
Course Code: 25SCEOE1 **Time: 1 Hr. 30 Minutes**

Instructions

- All the questions are compulsory

Q1.	**Attempt any 5 out of 7. (1 Mark each)** **(5 Marks)** **1. Choose the correct definition of financial literacy:** A. Ability to earn money only B. Ability to understand and use financial knowledge C. Ability to save money only D. Ability to invest in stock market **2. How does inflation affect money value?** A. Increases purchasing power B. Decreases purchasing power C. No effect D. Doubles money value **3. Recall the meaning of risk in personal finance:** A. Guaranteed profit B. Possibility of financial loss C. Fixed income D. Tax benefit **4. List one component of financial literacy:** A. Budgeting B. Gambling C. Speculation D. Hoarding **5. Relate Time Value of Money with:** A. Inflation B. Weather C. Politics D. Population **6. Who pays premium in insurance?** A. Insurer B. Government C. Insured person D. Bank	CO 1

7. **Why is risk management important?**
   A. To increase expenses
   B. To avoid savings
   C. To reduce financial losses
   D. To increase taxes

Q2. **Attempt any 2 out of 4.** **(10 Marks)** CO5

1. Explain the role of budgeting in achieving financial goals.
2. Compare secured and unsecured debts and evaluate which is more risky.
3. Choose the most important step in the financial planning process.
4. Describe the steps in risk management and justify your order.

Q.3 **Attempt all questions (5 marks each)** **(10 Marks)** CO6

a) Rahul spends all his salary and has no savings. How will you adapt his financial habits to improve his situation?

b) A person has no health insurance but high medical expenses. How will you plan a solution for financial protection?

OR

Q.3 **Attempt all questions (5 marks each)** **(10 Marks)** CO6

a) Prepare a Personal Income & Expenditure Statement of Mr. Rahul for March 2026:
Salary ₹30,000
Rent ₹8,000
Groceries ₹5,000
Interest income ₹1,000
Transport ₹2,000
Entertainment ₹1,500

b) Develop a Personal Balance Sheet of Mr. Raj as on 31 March 2026:
Cash ₹15,000
Bank ₹50,000
Car ₹2,00,000
Home loan ₹1,20,000
Credit dues ₹10,000
Investments ₹80,000

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