



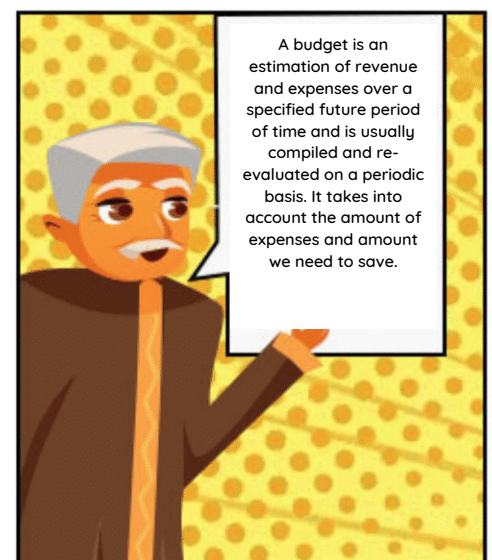
VITTYARTHI

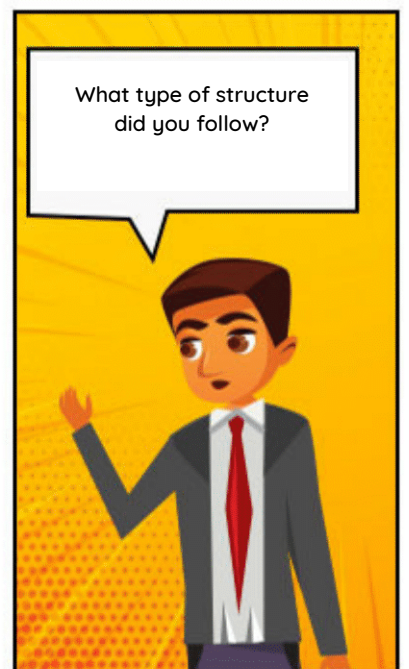
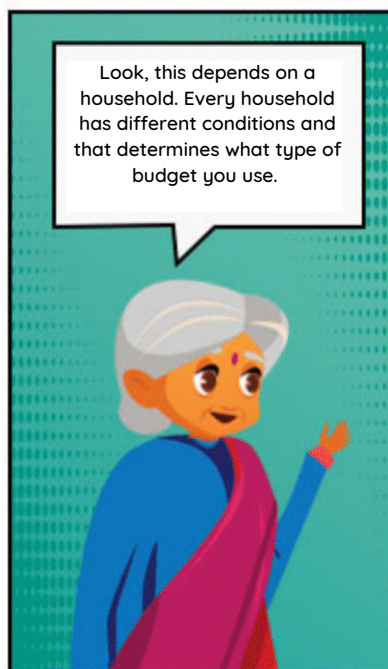
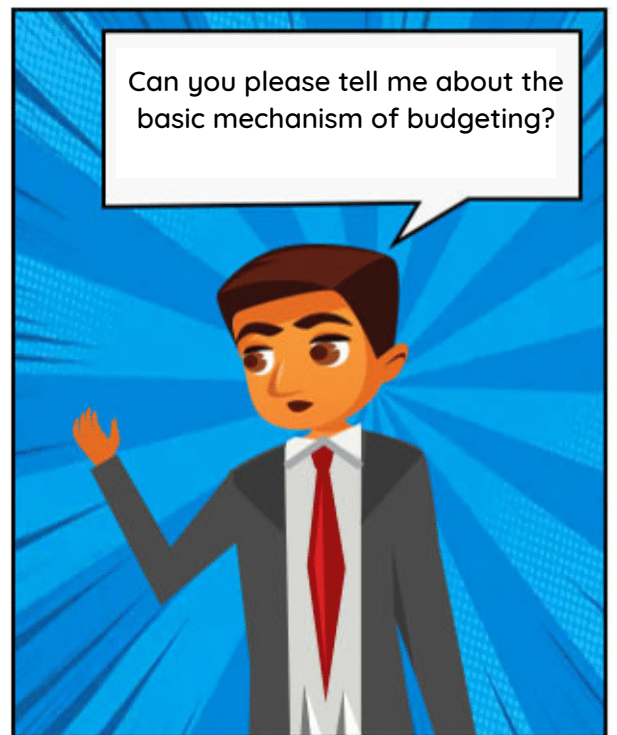
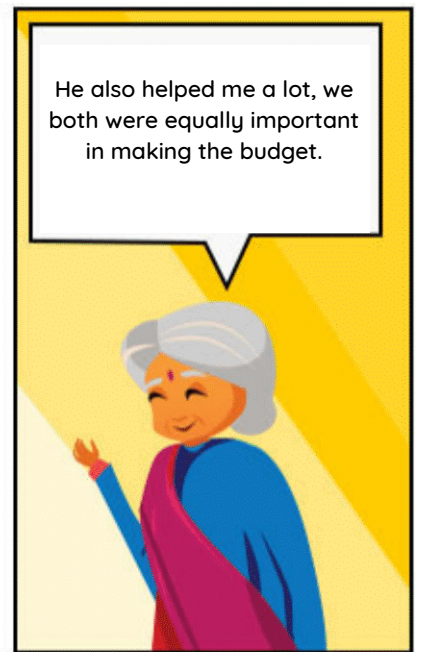
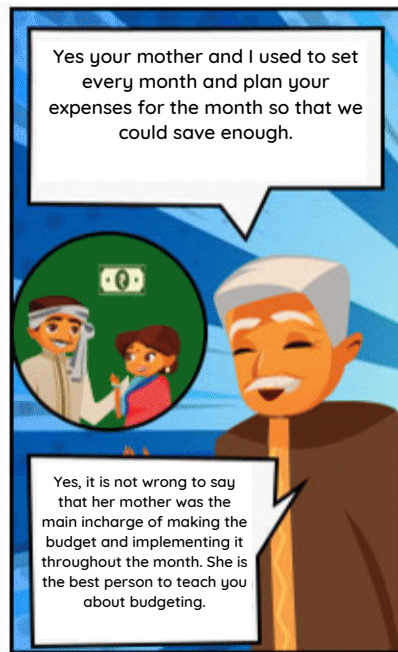
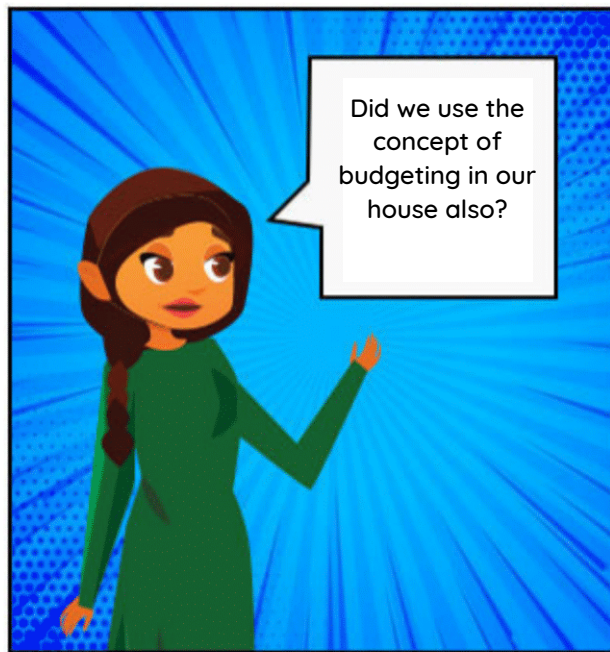


LEVEL 2

THE CONCEPT OF BUDGETING

Armaan is now working as a successful bank employee and Diya is completing her graduation. Diya also teaches tuition as a part time job to earn money. They now have a stable life in the city and decide to call their parents to the city for settlement. Armaan is facing a problem nowadays. He is able to earn a stable and good income but not able to manage his expenses properly. In between these circumstances, his parents Rajindree and Seema arrive at their place.



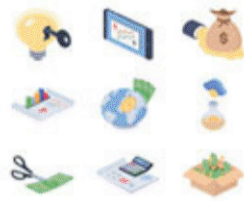




We used to follow the concept of "60% - 20% - 20%"



The concept says that '60% should be spent on essential items, such as food, groceries and education'.



The next 20% should be saved or invested in financial instruments



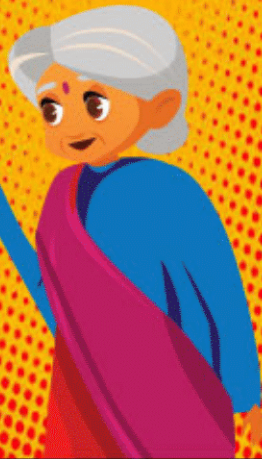
The last 20% should be used for miscellaneous expenses such as entertainment and shopping.

If you follow this concept sincerely, you will never be in a big financial crisis.

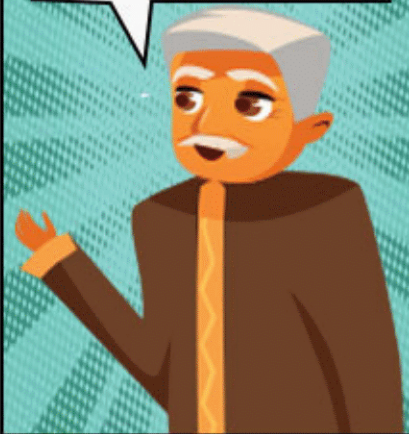
Wow, that's impressive. I will surely follow this. But can you please tell me about some advantages of budgeting and how it can be used in real life instances?



Yes, despite having knowledge about the topic, you should also know about the proper implications of budgeting.



Budgeting is very useful if we do it the right way. The best thing about it is that it helps you to spend your money smartly. It enables you to manage your expenses and avoid unwanted expenses.



Also, budgeting helps you to set limits for all the categories of expenses. For example, the amount of loan repayment should not exceed 50% of the income.

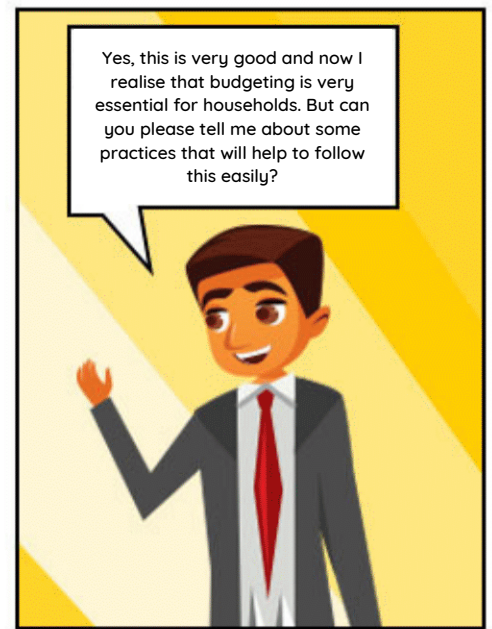
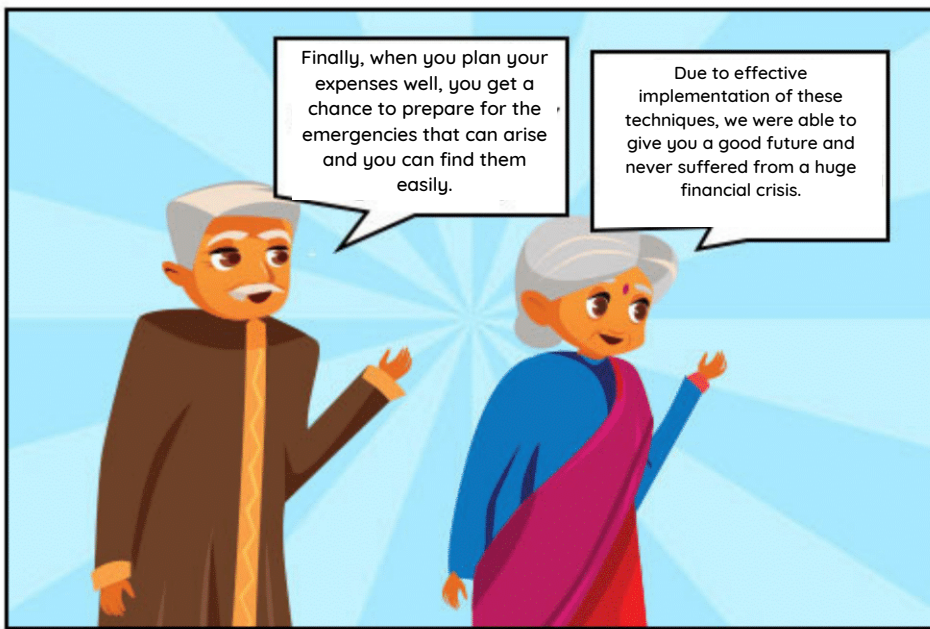


The best thing about budgeting is that if you exceed your limit in one category you can cover it from the leftover amount from the other category.

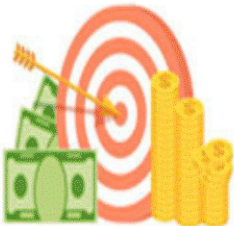


Moreover, when you practice this for a good period of time your financial literacy increases and you tend to see opportunities that others can't see.





This simple practices can easily help you to follow the budget policy



Set Financial Goals



Get Out of Debt



Plan for Financial Emergencies



Control Spending on Food



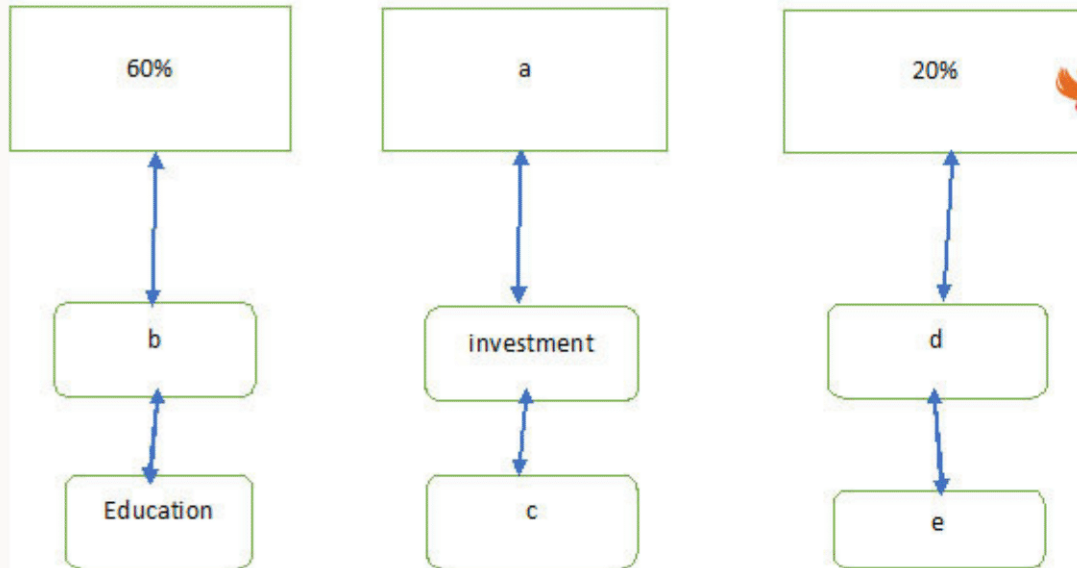
Budget for Travel



ACTIVITIES



Flow chart puzzle:



ANSWERS
a) 20% b) groceries. c) savings. d) shopping. e) entertainment

Interesting Math question:

Q. Calculate the total amount of subheads:

Grocery = Rs. 10000

Education = Rs. 5000

Investment = Rs. 2000

Savings = Rs. 3000

Shopping = Rs. 4000

Entertainment = Rs. 1000

Calculate the amount of 60% - 20% - 20%.

- a)
- b)
- c)
- d)
- e)
- f)



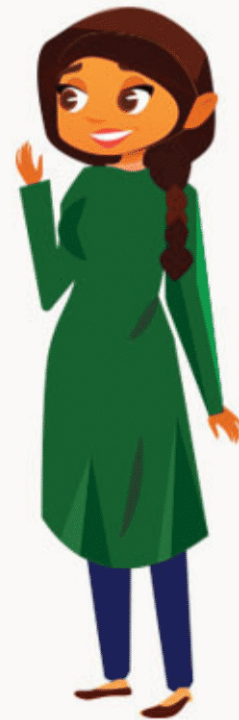
ANSWER
60% - Rs. 10000 + Rs. 5000 = Rs. 15000
20% - Rs. 2000 + Rs. 3000 = Rs. 5000
20% - Rs. 4000 + Rs. 1000 = Rs. 5000

Word scramble:

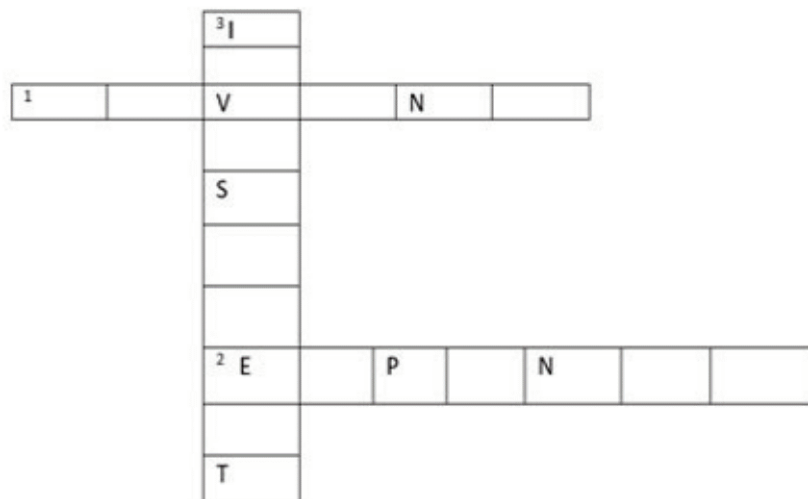
1. N S A G I V - _____.
2. G T D U B E - _____.
3. E U E R V E N - _____.
4. T E D B - _____.

ANSWERS
SAVING,
BUDGET,
REVENUE,
DEBT.

1.
2.
3.
4.



Crossword:



ACROSS:

1. The amount that is not spent and kept with ourselves.
2. The amount that is spent.

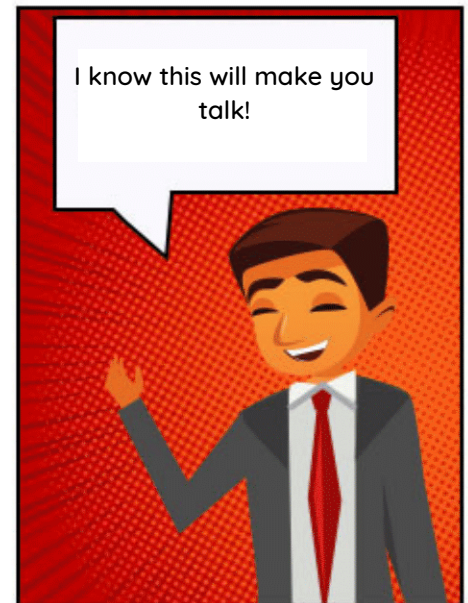
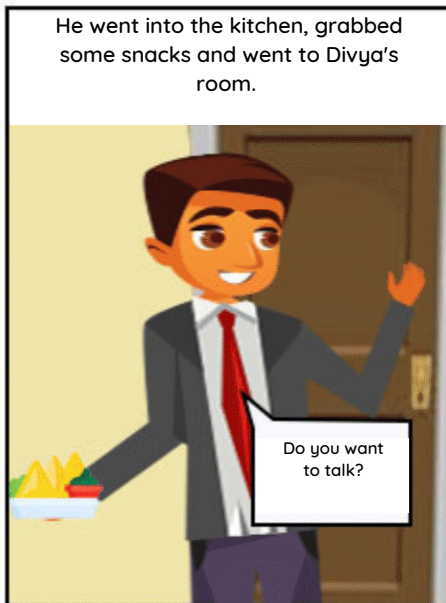
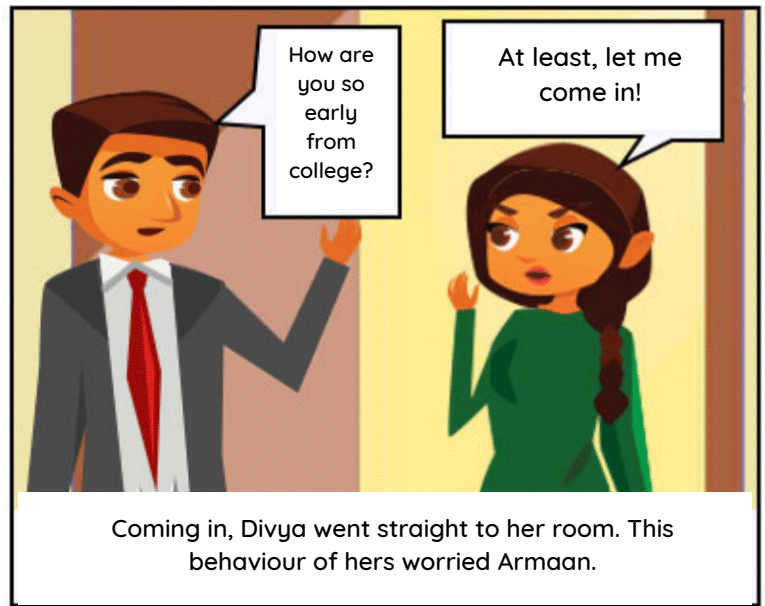
DOWN:

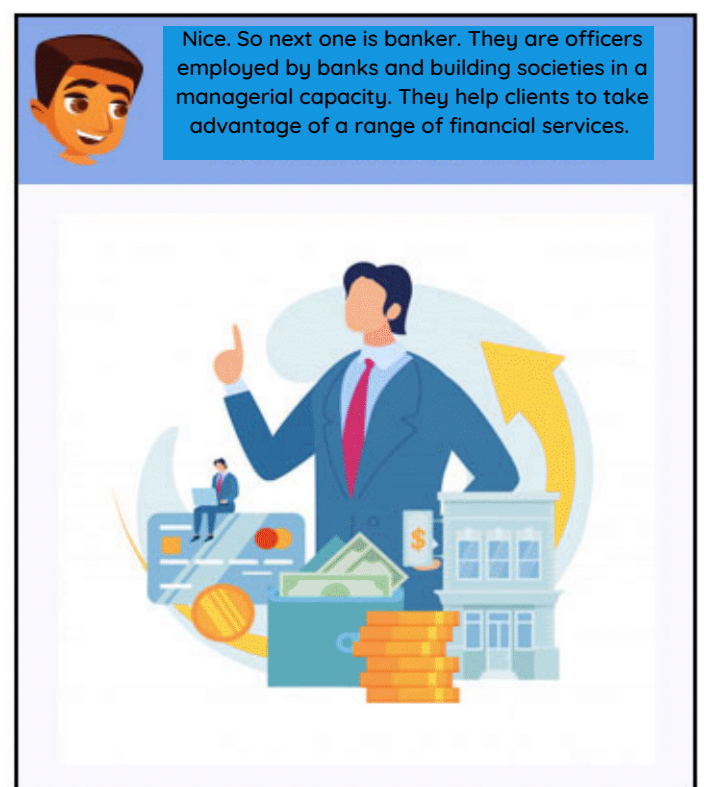
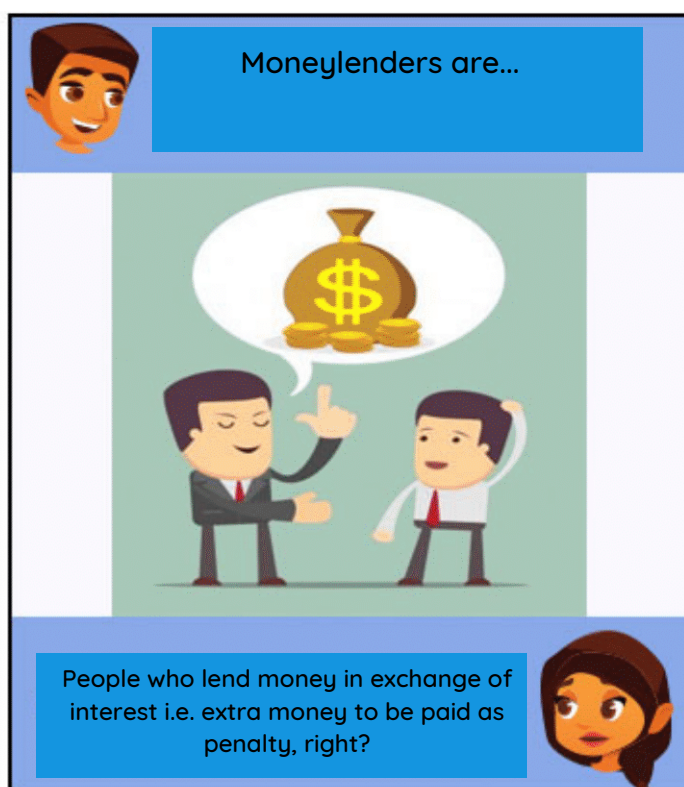
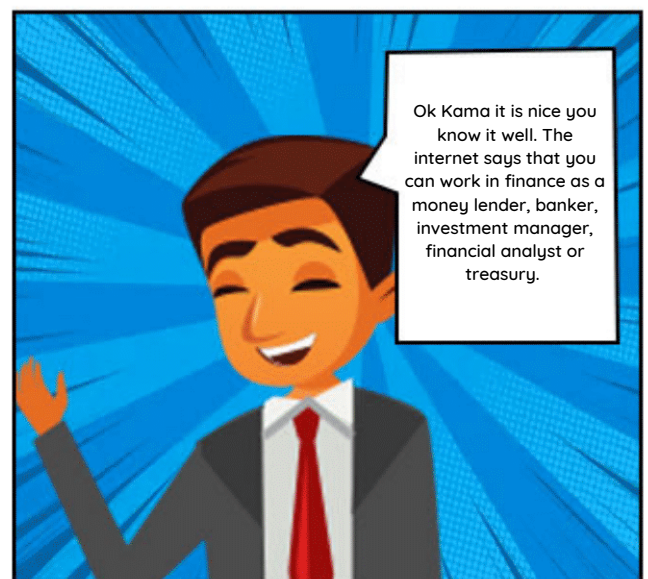
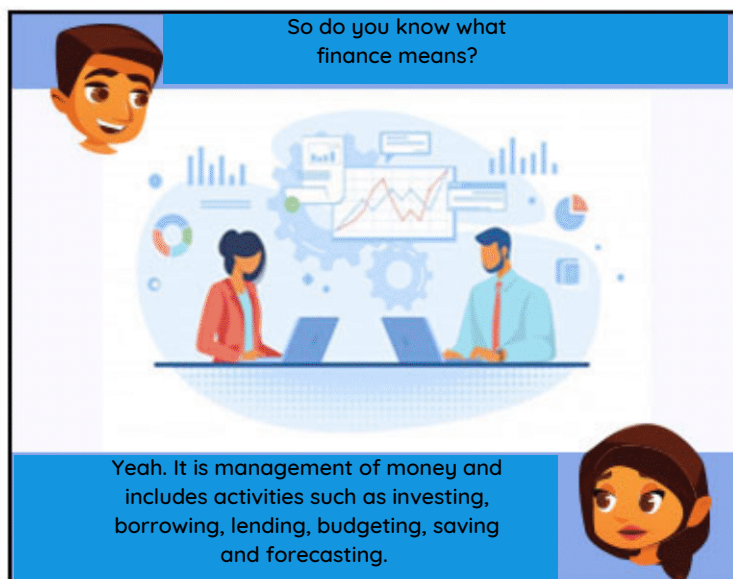
3. The amount that is used for multiplying your money.

ANSWERS: 1. Saving. 2. Expense. 3. Investment.



FINANCE RELATED JOBS







The next one is investment manager. They help large Institutions and individuals with lots of money to increase their Fortune. They invest their clients' wealth keeping in mind the level of risk that clients want to take and their financial goals. In simple words they are investors.



Okay. So what's next?



Umm... Financial Analysts. They examine financial data and use their findings to help companies make business decisions. They use numerical data to pinpoint the efficacy of various marketing techniques fullstop more like mentors for companies.



The next one is treasury. They make certain that cash and financial risks in a business are properly managed and optimised. They ensure that cash is managed for day-to-day business operations while having an outlook for long term strategy.



Okay, but how can I become any of these?



For that you need to-



Pursue Commerce Stream in Higher Secondary

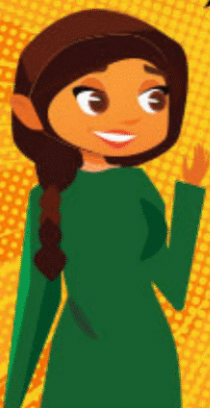


Continue to study Finance in Bachelor's & Master's Degree



Or take up CFA courses

Oh! So that's how it goes



You need to start sharing snacks with me more.

Like I would!





FAQ- Finance related Jobs



1) Moneylenders:- People who lend money in exchange of interest (extra money to be paid as penalty).

2) Bankers:- The term 'banker' refers to the people employed by banks and building societies in a managerial capacity. They help clients to take advantage of a range of financial services.

Basic word for them:- Officers in banks

3) Investment manager:- They help large institutions and individuals with lots of money to increase their fortune. They invest their clients' wealth – keeping in mind the level of risk that clients want to take and their financial goals.

Basic word for them: Investor

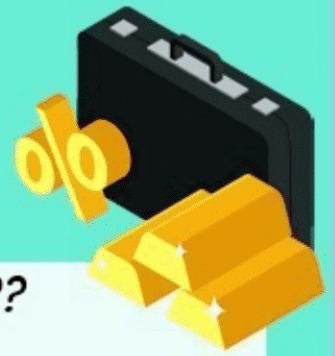
4) Financial analysts:- They examine financial data and use their findings to help companies make business decisions. They use numerical data to pinpoint the efficacy of various marketing techniques.

Basic word for them: Mentor

5) Treasury:- They make certain that cash and financial risks in a business are properly managed and optimized. They ensure that cash is managed for day-to-day business operations while having an outlook for long-term strategy.



ACTIVITIES



Problem Solving- Whom to Consult???

- 1) Nikita wants to invests in stocks but is new to the concept. Whom should she go to?
- 2) Sarth wants to open a cafe but is in lack of money. Whom should he go to?
- 3) Ms. Bajaj wants to improve the cash flow in her company & wants it to be utilized efficiently. Whom should she go to?
- 4) Akriti wants to know apply for a credit card & even improve her savings & credit score. Whom should she go to?
- 5) Hrishab wants to get help for investment risks in his start-up company. Whom should he go to?

Answer key

1)Investment Manager 2)Moneylender 3)Treasury 4)Banker 5)Financial Analyst

Cryptogram

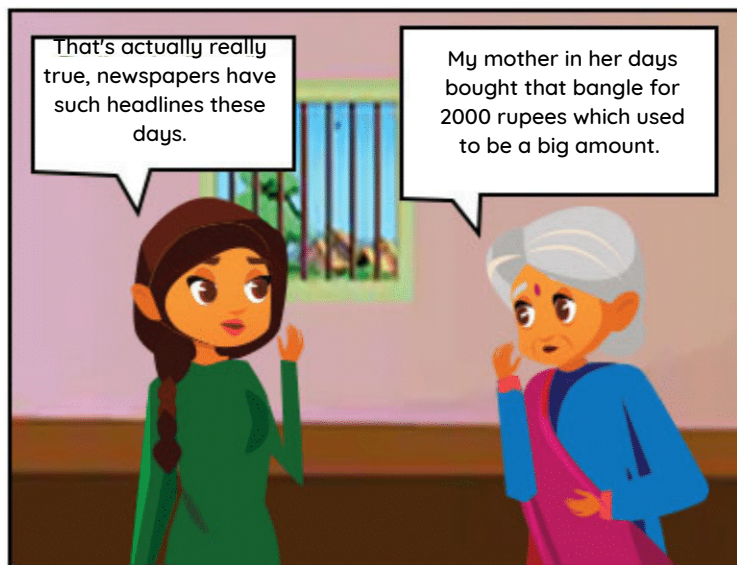
A B C D E F G H I J K L M N O P Q R S
T U V W X Y Z

23 14 15 12 15 24 14 12 7 12 15 12 7 20 16 5
13 4 13 6 24 21 6 26 2 6 25

Answer Key

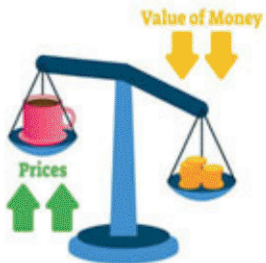
1) Financial Analyst 2) Moneylender

PRICES RISE, PRICES FALL!

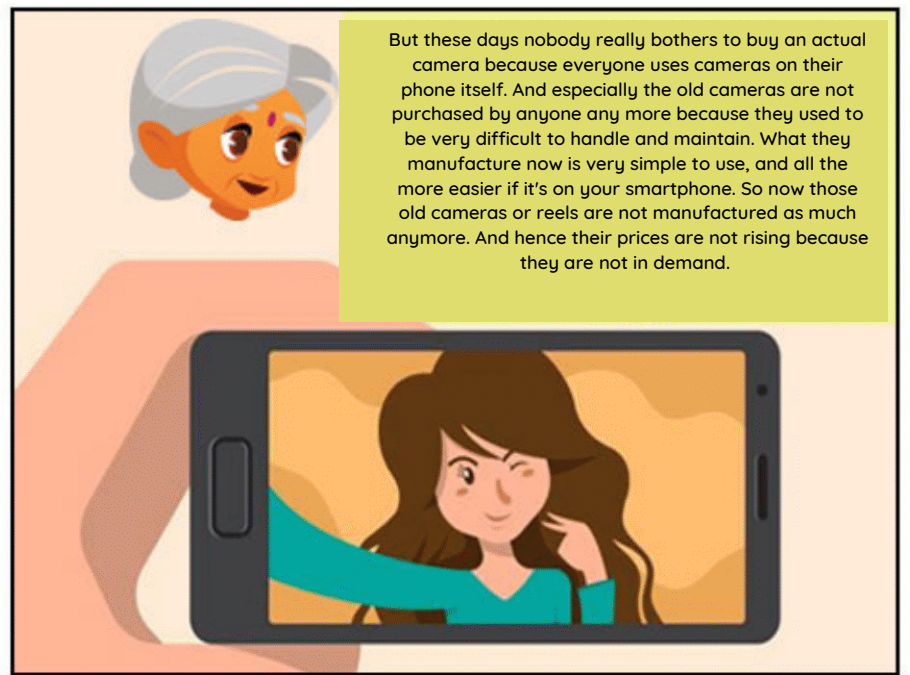
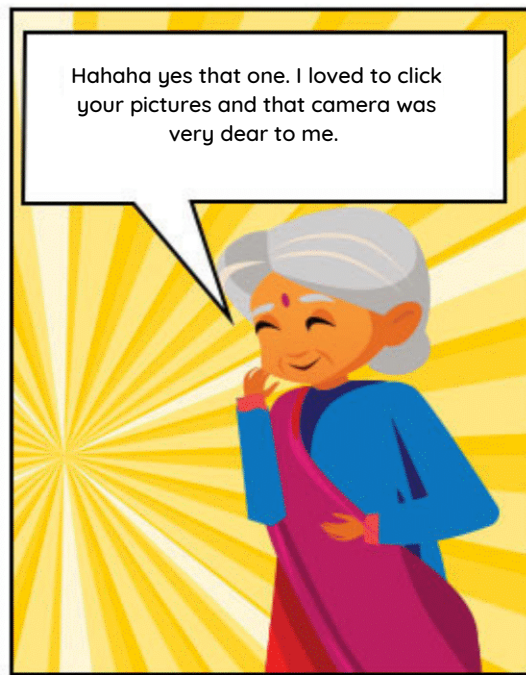


"It has happened due to Inflation. This is what we've been studying about these days in college!"

Because of really high demand of gold and really low availability, its prices have been rising over the years. Not only in India, but gold has been in high demand even abroad. And people, irrespective of its cost, keep buying more and more gold because they feel that it would keep increasing, so they feel that it's better to invest in gold right now.



And if it would have been abundantly found, and not as valued as it is, then its price would have either remained the same or would have dropped. And that would happen because of deflation





ACTIVITIES



CRYPTOGRAM

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
			9	21	5							3			26		8	12	16					13	

F L T

22 23 5 3 14 16 22 25 25

E F L T

21 5 3 14 16 22 25 23

D E P R E T E

9 21 26 8 21 10 22 14 16 21

E S T E T

22 23 20 21 12 16 24 21 23 16

R R E Y

18 10 8 8 21 23 10 13

E

22 23 10 25 24 21

R E

8 21

S S E T

14 12 12 21 16

P P R E T E

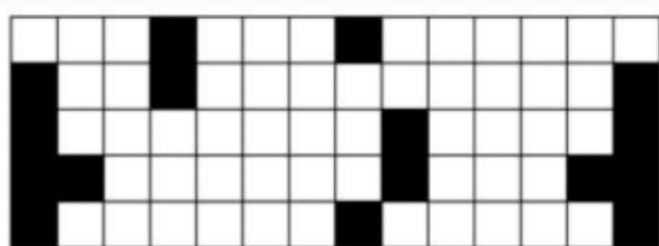
14 26 26 8 21 10 22 14 16 21

E P E D T

21 2 26 21 23 9 22 16 10

ANSWER KEY: INFLATION, INVESTMENT, ASSET
DEFLATION, CURRENCY, APPRECIATE,
DEPRECIATE

FALLEN PHRASES



U C A N R E E
I U D C L A N K S
M S T O I K F I L N D E
A V E U U E S F U V N S
Y O N T N A F S E N I D T T

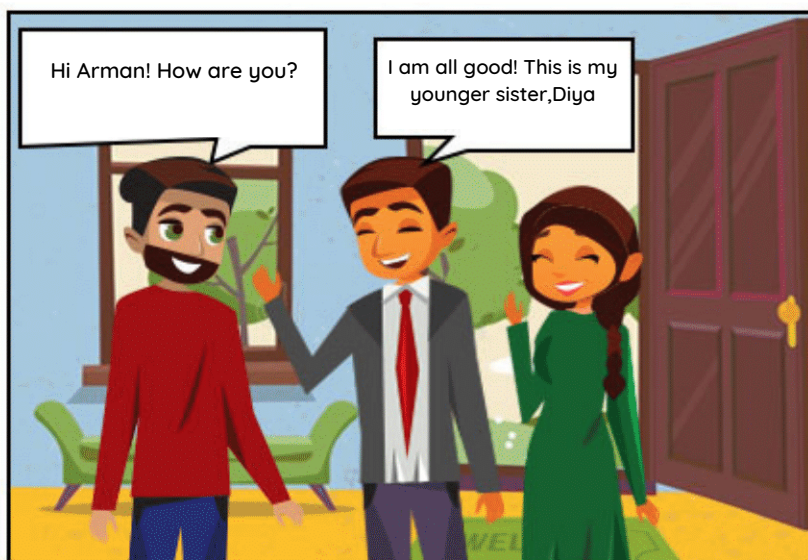
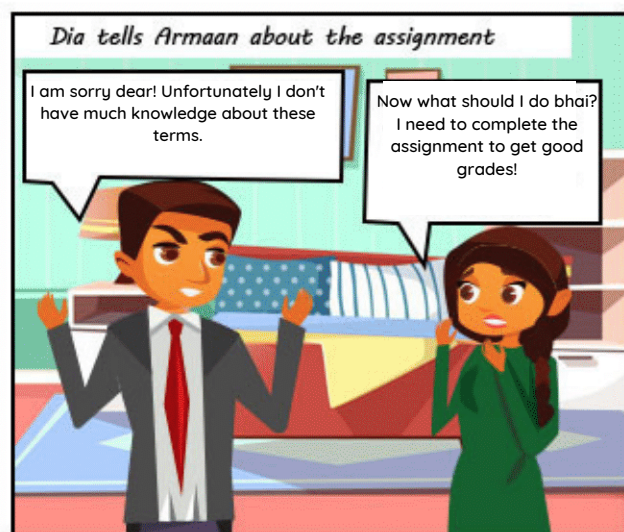
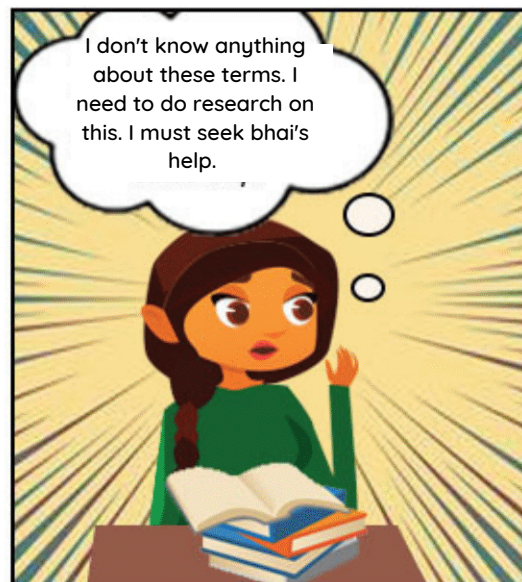
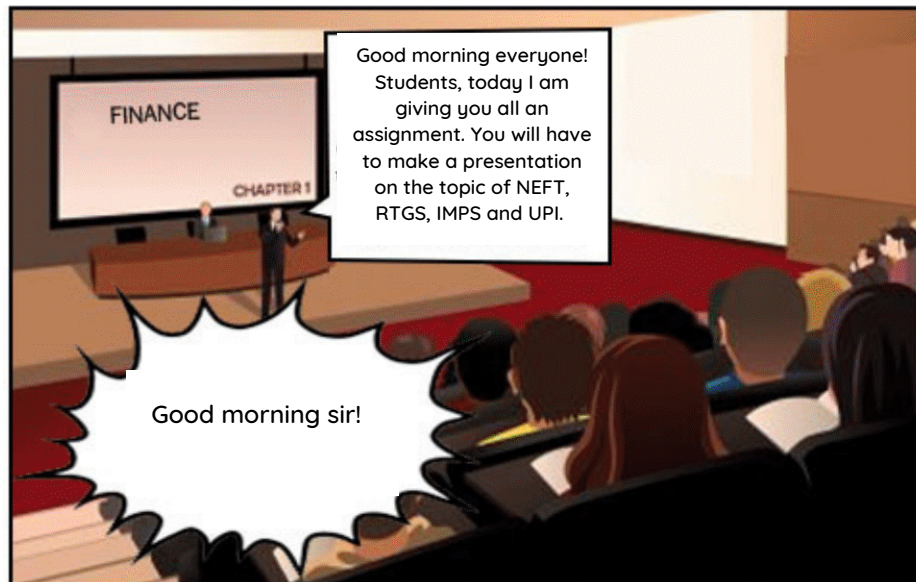
ANSWER KEY

You can invest in different avenues like stocks and Mutual Funds.

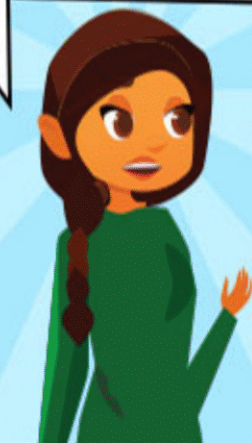


NEFT, RTGS, IMPS, UPI

Diya is a college going student pursuing her bachelor's in the field of finance. She along with her classmates are waiting for the professor.



I wanted to know about NEFT, RTGS, IMPS and UPI. What are these?



These are various methods of electronic fund transfer. India currently has various methods to transfer money online such as digital wallets, UPI and more.



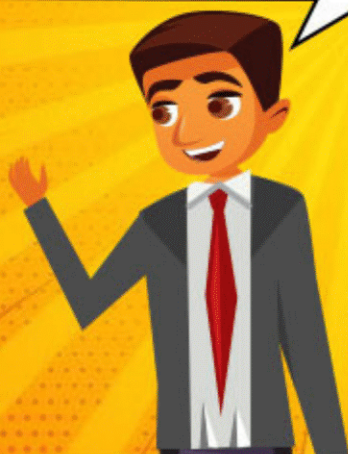
Can you provide me some more details about each?



Sure. Let me begin with National Electronic Fund Transfer
NEFT allows the transfer of funds from one bank account to another throughout the nation. Here, settlements of transactions are made on a Deferred Net Settlement (DNS) basis i.e. the settlement does not take place unless a certain number of transactions are received till a certain cut-off time.



Wow! This is interesting and seems pretty easy. What about RTGS?



Real Time Gross Settlement is a fund transfer method via which money is sent whilst the event/transaction occurs (real time) without any delays. It allows the money sent by the sender to immediately reach the payee/beneficiary.



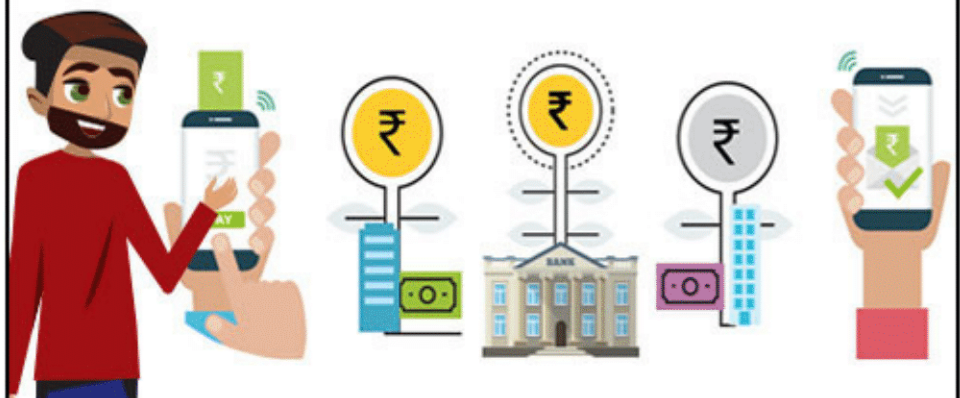
Siddharth, what do you mean by gross settlement?

Here, gross settlement refers to the process of transactions on an individual basis and not in a batch wise system.



What is IMPS then?

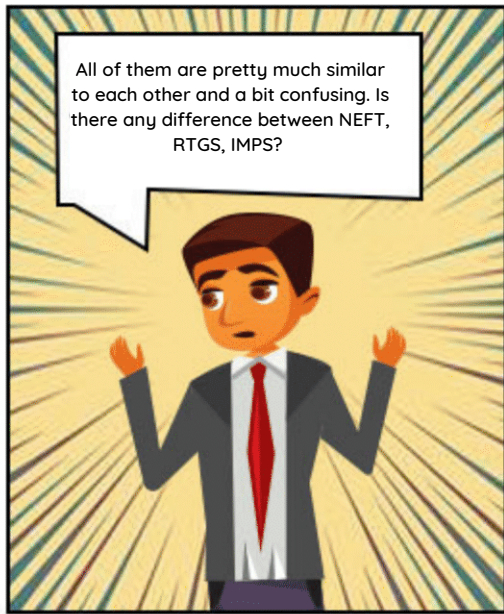
Immediate payment service in this system money is added immediately to the payee/beneficiary account. IMPS transfer can be done at any time. Interbank transfer can also be initiated via this.




Are there any advantages of using these modes for doing transactions online?

There are several benefits of using these online fund transfer methods like:


- Economical
- Safe and secure method
- No need for cheque or demand draft
- No need to physically visit bank
- Online facility
- Instant money transfer
- Available on a 24/7 basis on all 365 days in a year



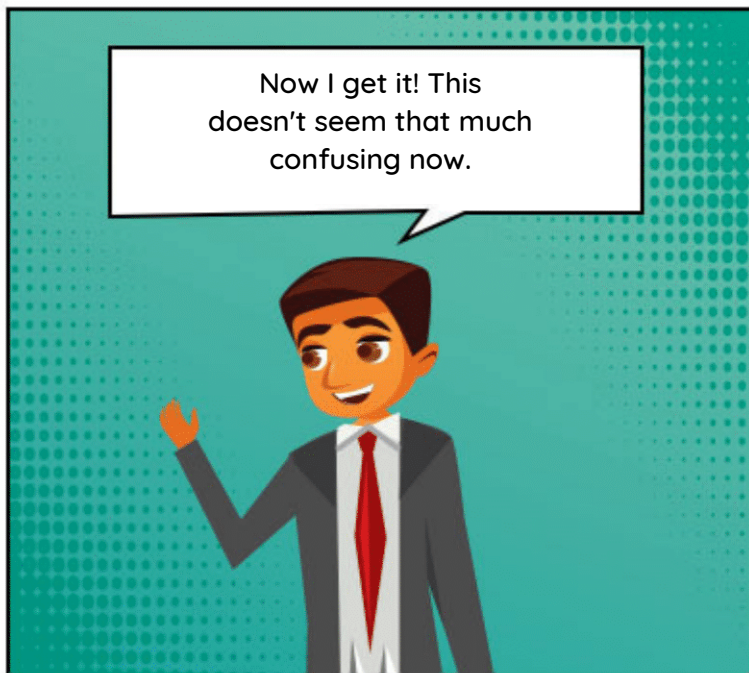
Don't worry. I will help you out. The two most important factors that differentiate the three modes are-



Timing:
NEFT and RTGS services will be unavailable on weekends and bank holidays, while IMPS services can be availed round the clock.

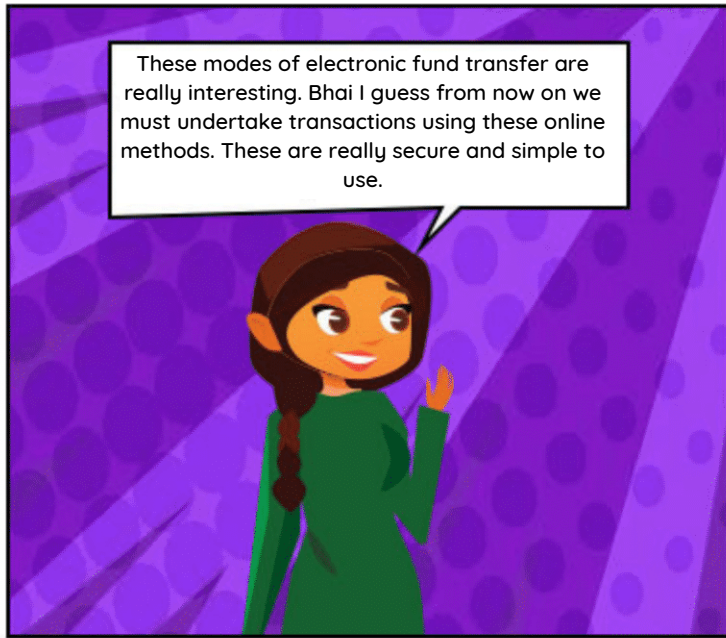


Transaction speed:
NEFT has fixed batch time slots and can take around 2 hours for the recipient to receive the funds, whereas RTGS and IMPS transfers take place in real time



Unified payment interface is similar to your bank account, this remains you need to every individual and will help you to transfer and receive funds instantly using IMPS. So, now you do not need to transfer funds intra-bank (within the same bank) using old methods like NEFT, RTGS and cheques.







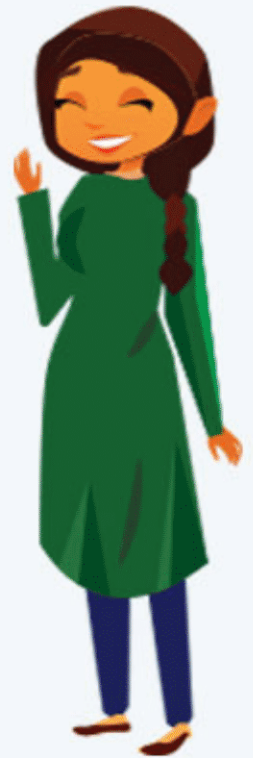
ACTIVITIES

PROBLEM SOLVING

POOH DECIDED TO START A BUSINESS OF EXTRACTING HONEY FROM THE HONEYCOMB. HE DIDN'T HAVE ENOUGH MONEY & REQUIRED A SUM OF RS.3 LAKHS. HE ASKED HIS FRIEND TIGGER TO HELP HIM OUT. TIGGER TRANSFERRED THE REQUIRED MONEY INTO POOH'S BANK ACCOUNT IMMEDIATELY USING EFT. WHICH EFT METHOD WAS USED BY TIGGER?



(ANS. RTGS)



WORD SCRAMBLE

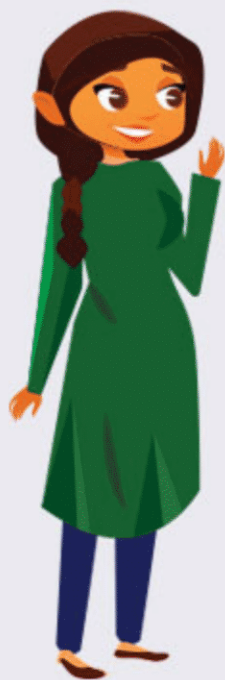
CNRCLETEOI NFDU RNFRESAT

Answer: (ELECTRONIC FUND
TRANSFER)





ACTIVITIES



WORD SCRAMBLE

- (i) IVTSNEMVNT
- (ii) IAFLNOITN
- (iii) OLGD OALNS

ANSWER KEY
INVESTMENT
INFLATION
GOLD LOANS

MATCH THE FOLLOWING

Group A

- A. RBI
- B. Overdraft
- C. Saving amount
- D. ATM
- E. Fixed Deposit

Group B

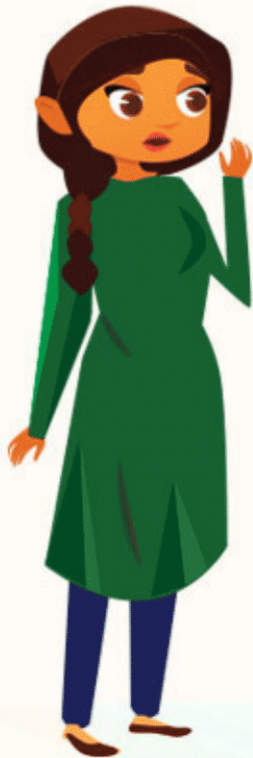
- 1. Recurring deposit account
- 2. 12 hour service
- 3. Withdrawal after a fixed period of time
- 4. Central bank
- 5. Current account
- 6. Salaried people
- 7. 24 hour service
- 8. Commercial bank
- 9. Cash credit
- 10. Withdrawal before a fixed period of time



ANSWER KEY A-4 B-9 C-1 D-7 E-3



ACTIVITIES



Q.1) On 1st February, a man earns \$20. Out of which he spends \$15 on the second day. He again earns \$20 the third day and spends \$15 the fourth day. If he saves like this, then at what day will he have \$60 in hand?

Answer-
By earning and spending he would have \$5 in every two days.
This way by the 14th day he would have saved \$40.
So on the 17th day, he would earn \$20 and add it up to make a total of \$60.
Thus, he would have \$60 in hand on the 17th day.

Q. 2) You want to hire a temporary employee for 12 days, you offer him \$12 wages to be offered to him on the 12th day, but the employee suggests an alternative so that he gets paid daily. For the first day he'll be paid a penny, the second day two pennies, third day four. Salary for each subset day will be double the previous day's, until the 12 days term is over. Ignoring the legalities, would it be a good idea to accept the potential employee's proposal?

Day1 - \$0.1
Day2 - \$0.2
Day3 - \$0.4
Day4 - \$0.8
Day5 - \$0.16
Day6 - \$0.32
Day7 - \$0.64
Day8 - \$1.28

Answer-
It is better to pay him \$12 or \$1 each day rather than accepting his offer. Otherwise you would be paying nearly double the same amount. As per his suggestion, this is how the payments will go.

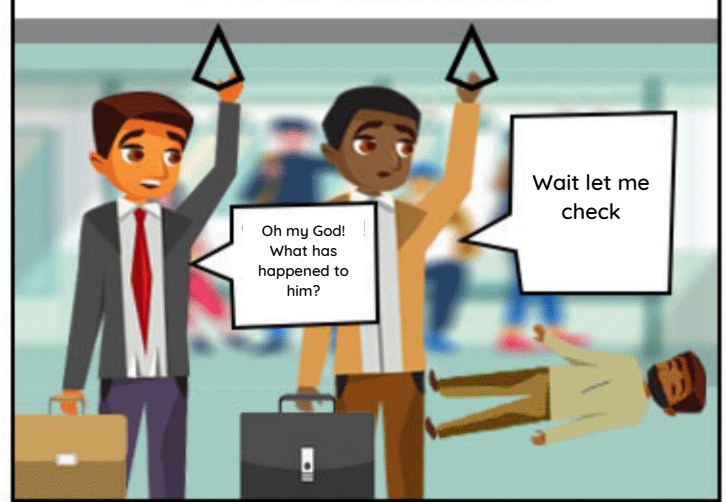


PRADHAN MANTRI JAN AROGYA YOJANA

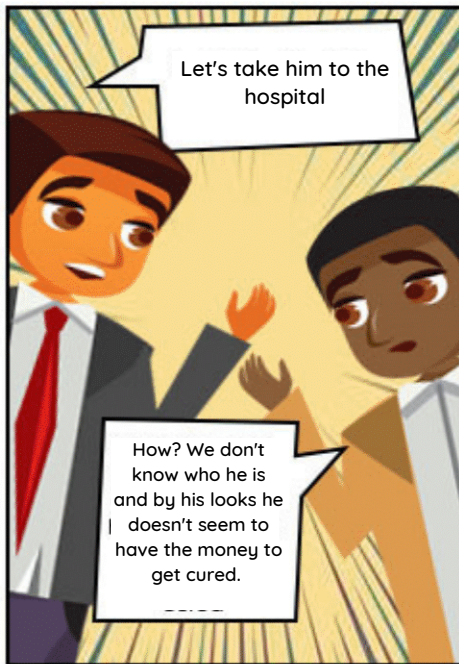
Armaan and his friend Shyam are going to work in a bus



A fellow passenger suddenly faints



Let's take him to the hospital



You just call the ambulance and don't waste time!



Shyam calls the ambulance and the patient is taken to the government hospital nearby



I have informed his family they will be at the hospital any movement.

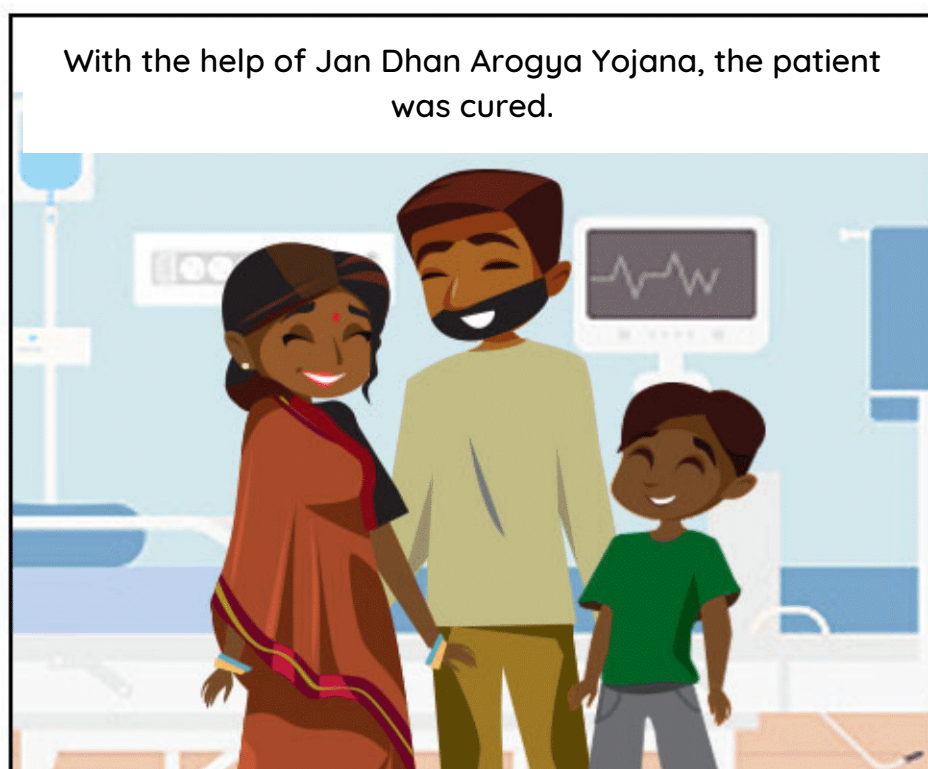
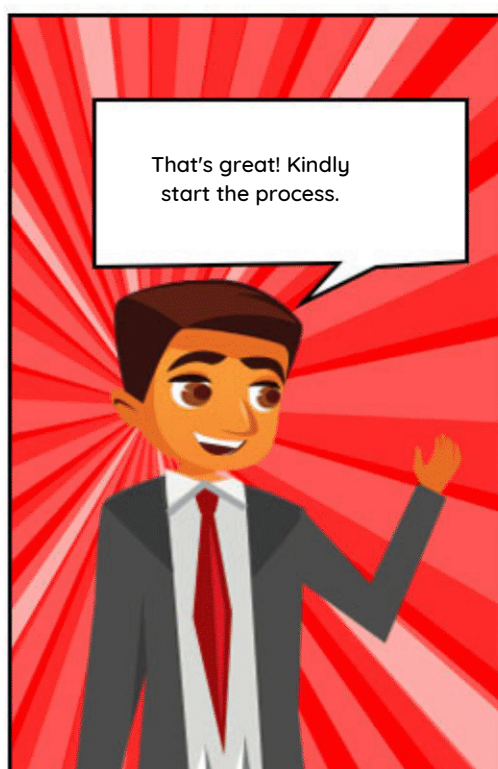
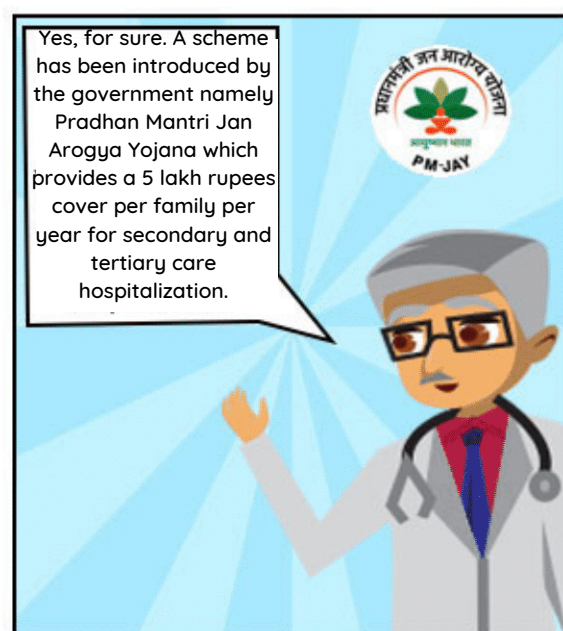
That's great!



What's the matter doctor?

He is having a kidney disorder in which operation is required as fast as possible otherwise there is a chance of losing the patient.







yes for sure!

Pradhan Mantri Jan Dhan Arogya Yojana (PM-JAY) is also known as Ayushman Bharat scheme. PM-JAY Health Insurance Scheme is an initiative taken by the Indian government. The scheme targets the economically backward sections of the society. This scheme covers over 10.74 crore poor and unprivileged families. This Health Insurance Scheme covers the hospitalization expenses up to INR 5 lakh. The family is covered under the insurance and gets relief for health care. The government provides a golden card to the insured families for cashless claims at the hospital. Some of the benefits enjoyed by the patients are that the government bears the premium. The insured members get to avail cashless hospitalization facilities. No restriction on the number of family members covered under the scheme.





VITTSHALA

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