



# Sh. L. N. Hindu College, Rohtak (Haryana)

## Course Plan

Department of Commerce

Program: B.COM

Financial Literacy (23COM501MD01)

### SCHEME

<b>Course Name</b>	<b>Financial Literacy</b>	<b>Course Type</b>	<b>Theory</b>
<b>Course Code</b>	<b>23COM501MD01</b>	<b>Class</b>	<b>B.COM 1 Semester</b>
<b>Instruction Delivery</b>	<b>Per week Lectures: 4, Tutorial:1, Practical: 1 Total No. Classes Per Sem: 60(L), 15(T) Assessment in Weightage: Sessional (20%), End Term Exams (80%)</b>		
<b>Course Coordinator</b>	Ms. Riya Wadhwa	<b>Course Instructors</b>	Theory: Ms. Riya Wadhwa

### COURSE OVERVIEW

This course is structured to progressively build your financial knowledge, equipping you with practical skills to navigate personal and institutional finance confidently. By the end of the course, participants will be able to make informed financial decisions, manage budgets effectively, and understand the intricacies of banking, insurance, and stock market operations.

### PREREQUISITE

Concepts related to finance, personal knowledge about finance and practical skills.

### COURSE OBJECTIVE

This course on financial literacy covers essential aspects of personal and institutional finance. It begins by defining financial literacy, emphasizing its importance and prerequisites, such as education and numerical skills. Students will explore various financial institutions, including banks, insurance companies, and postal services, highlighting the need for their services. The course also delves into financial planning and budgeting, focusing on personal, family, business, and national levels, while teaching procedures for creating budgets and understanding surplus and deficit. Additionally, it covers banking services, including different types of banks, deposit accounts, loans, and electronic payment systems. In the insurance segment, learners will examine life and property insurance policies, comparing providers and understanding postal insurance schemes. Finally, the course introduces key stock market terms and concepts, along with trading mechanisms, stock valuation, and investment strategies, providing a comprehensive foundation in financial literacy.

### COURSE OUTCOMES (COs)

After the completion of the course, the student will be able to:



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CO No.	Course Outcomes
1	Students learn about the importance of finance and planning procedure for finance.
2	The student will learn about the various kinds of banking and financial services in Indian Post Office.
3	Students gain complete knowledge about the insurance services.
4	They acquire an insight about the stock markets.

## COURSE CONTENT

### Content

**UNIT 1: INTRODUCTION, FINANCIAL PLANNING AND BUDGETING** Meaning, importance and scope of financial literacy; Prerequisites of financial literacy – level of education, numerical and communication ability; Various financial institutions – banks, insurance companies, post offices, mobile app based services. Need of availing of financial services from banks, insurance companies and postal services. Meaning, importance and need for financial planning; Personal budget, family budget, business budget and national budget; Procedure for financial planning and preparing a budget; Budget surplus and budget deficit.

**UNIT 2: BANKING SERVICES AND FINANCIAL SERVICES IN INDIAN POST OFFICE** Types of banks; Banking products and services – Various services offered by banks; Types of bank deposit accounts – savings bank account, term deposit, current account, recurring deposit; pan card, address proof, KYC norm; Various types of loans – education loan, consumer durable loan, vehicle loan, housing loan, short term, medium term, long term, microfinance, bank overdraft, cash credit, mortgage, reverse mortgage, hypothecation, pledge, Agricultural and related interest rates offered by various nationalized banks; Cashless banking, e-banking, check counterfeit currency; CIBIL, ATM, net banking, RTGS, NEFT, IMPS, electronic clearance services (ECS), debit and credit card, app based payment system, bank draft and pay order; banking complaints and ombudsman. Post office savings schemes: savings bank, recurring deposit, term deposit, monthly income scheme, kisanvikaspatra, NSC, PPF, senior citizen savings scheme, sukanyasamridhiyojana; India post payments bank. money transfer: money order, e-money order. Indian postal order.

**Unit 3: Insurance Services** Life insurance policies: life insurance, term life insurance, endowment policies, pension policies, ULIP, health insurance plans, comparison of policies offered by various life insurance 17 companies, comparison of policies offered by various health insurance companies. Property insurance policies. Post office life insurance schemes: postal life insurance and rural postal life insurance.

**Unit 4: Stock Markets** –Some Basic Concepts Terms used in stock markets: SENSEX, NIFTY, primary markets, secondary markets, initial public offering(IPO), follow-on public offering (FPO), offer for sale (OFS), block deal, equity shares, preference shares, debentures, bonus shares, dividend, DEMAT account, trading account, delivery instruction slip (DI Slips), blue chips, defensive stocks, face value, market value, market capitalisation, pre-opening session, trading session, opening price, closing price, business days, bull, bear, bull market, bear market, risk, stop loss, derivatives, call option, put option, hedge, holding period; Tax on short term capital gains and long-term capital gains, Mutual Fund and its various schemes.



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### LESSON PLAN (THEORY AND TUTORIAL CLASSES)

L.No	Topics to be Delivered	Tutorial Plan	Units
<b>Unit 1: Introduction to Financial Literacy, Planning, and Budgeting</b>			
1	Definition of Financial Literacy	Review of Financial Literacy Concepts	Unit I
2	Importance of Financial Literacy		
3	Scope of Financial Literacy		
4	Prerequisites of Financial Literacy		
5	Overview of Financial Institutions		
6	Need for Banking Services		
7	Importance of Financial Planning		
8	Personal vs Family vs Business Budget		
9	National Budget and Its Importance		
10	Understanding Budget Surplus and Deficit		
<b>Unit2: Banking Services and Financial Services in Indian Post</b>			
12	Types of Banks in India	Review of Banks and their facilities	Unit II
13	Banking Products and Services Overview		
14	Types of Bank Deposit Accounts		
15	Know Your Customer (KYC) Norms		
16	Overview of Different Types of Loans		
17	Cashless and E-Banking		
18	Understanding Payment Systems (RTGS, NEFT, IMPS)		
19	Introduction to Banking Complaints and Ombudsman		
20	Post Office Savings Schemes Overview		
21	Money Transfer Services by Indian Post		
<b>Unit 3: Insurance Services</b>			
22	Basics of Life Insurance	Review of Insurance Plans: Integration of Key Learnings	Unit III
23	Types of Life Insurance Policies		
24	Health Insurance Plans		
25	Comparison of Life Insurance Policies		
26	Property Insurance Overview		
27	Post Office Life Insurance Schemes		
28	Understanding Premiums and Claims		
29	Importance of Insurance in Financial Planning		
30	Regulatory Framework for Insurance in India		
31	Future Trends in Insurance Services		
<b>Unit 4: Stock Markets – Some Basic Concepts</b>			
32	Introduction to Stock Markets	Discussions on Stock Markets	Unit IV
33	Key Stock Market Terms (SENSEX, NIFTY, etc.)		
34	Understanding Primary and Secondary Markets		
35	Initial Public Offering (IPO) and FPO		
36	Types of Shares and Debentures		
37	Trading Accounts and DEMAT Accounts		



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### Text Books

Vandana Dangi

### Reference Books

**1. "Financial Literacy: A Comprehensive Overview" by Anup Kumar**

- A detailed guide on financial literacy principles and practices.

**2. "The Basics of Banking" by R.K. Sharma**

- a. Covers various banking products and services along with banking regulations.

**3. "Insurance and Risk Management" by P.K. Gupta**

- a. Provides insights into different insurance policies and risk management strategies.

**4. "The Intelligent Investor" by Benjamin Graham**

- a. A classic book on stock market investment strategies and principles.

### Web/Links for e-content

1. <https://www.nefe.org/>
2. <https://www.khanacademy.org/college-careers-more/personal-finance>
3. <https://www.bankingtutorials.com/>

### PRACTICE QUESTIONS (QUESTION BANK)

Unit 1: Introduction, Financial Planning, and Budgeting
1. Define financial literacy and explain its importance.
2. What are the key prerequisites for achieving financial literacy?
3. List various financial institutions and their roles.
4. Discuss the need for financial services from banks.
5. What is financial planning, and why is it important?
6. Differentiate between personal, family, business, and national budgets.
7. Describe the procedure for preparing a budget.



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8. Explain the concepts of budget surplus and budget deficit.
9. How does financial literacy impact decision-making in households?
10. What role does communication ability play in financial literacy?
<b>Unit 2: Banking Services and Financial Services in Indian Post Office</b>
11. Identify and describe different types of banks.
12. What banking products and services are commonly offered by banks?
13. Explain the different types of bank deposit accounts.
14. What are the KYC norms, and why are they important?
15. Discuss the various types of loans available through banks.
16. Explain the concept of microfinance.
17. What is cashless banking, and what forms does it take?
18. Define the terms RTGS, NEFT, and IMPS.
19. What are the post office savings schemes available in India?
20. Describe the money transfer services offered by the Indian Postal Service.
<b>Unit 3: Insurance Services</b>
21. What are the main types of life insurance policies?
22. How do endowment policies differ from term life insurance?
23. Discuss the importance of health insurance.
24. Compare life insurance policies offered by different companies.
25. What is the role of postal life insurance in rural areas?
26. Explain the key features of property insurance policies.
27. How do pension policies function?
28. What is ULIP, and how does it differ from traditional life insurance?
29. Discuss the factors to consider when choosing health insurance.
30. How does the insurance regulatory framework operate in India?
<b>Unit 4: Stock Markets – Some Basic Concepts</b>
31. What is SENSEX, and how is it calculated?
32. Differentiate between primary and secondary markets.
33. What is an Initial Public Offering (IPO)?
34. Explain the terms "bull market" and "bear market."
35. What are equity shares and preference shares?
36. Define market capitalization and its significance.
37. How do derivatives function in the stock market?
38. What are mutual funds, and what types of schemes are available?



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