

Jasdeep Singh - Case

Today is 21-02-2009. Sardar Jasdeep Singh (Current age 62, Life expectancy 78 years) is a reputed businessman. His family consists of his wife Sukumari Kaur (Current Age 60, Life expectancy 80), their elder son Jaymeet Singh (Current age 35, Life expectancy 75 years), Jaymeet's wife Sukhmeet Kaur (Current Age 26, Life expectancy 80 years), & younger son Jaspal (Current age 24, Life expectancy 77 years). Jaymeet is engaged in his family business while Jaspal is studying Masters in Business Management. Sukumari is working as a General Manager, serving in a public Ltd company since 01-01-1975 & Sukhmeet is a house wife. The family resides in their self-owned house in Bhatinda.

Jaspal's present annual tuition fee, fixed at Rs. 1.5 lakh per year till the completion of his MBA, is equally contributed by Sardar Jasdeep Singh & his wife.

Sardar Jasdeep Singh has submitted the following financial information of his family.

- A. Jasdeep Singh's Information
- | | |
|---------------------------------|-------------|
| Income from Business profession | Rs. 12 lakh |
|---------------------------------|-------------|
- B. Sukumari Kaur's Information:
1. Current Salary Rs. 82,500 pm
 2. Balance in PF account (As on 31-03-2008) Rs. 18,20,700
 3. Gold Jewellery & other valuables Rs. 22,50,000
 4. On retirement Sukumari's company pays gratuity as per the Payment of Gratuity Act.
 5. Sukumari is owner of a second residential house, which is let out on a monthly rent of Rs. 18,500.
- C. Other Auxiliary Information
- | ➤ Life Insurance Policies of All Family Members | Surrender Value | Death Benefit |
|---|-----------------|---------------|
| ▪ Sardar Jasdeep Singh | Rs. 18.79 Lakh | Rs. 50 Lakh |
| ▪ Sukumari Kaur | Rs. 7.56 Lakh | Rs. 20 Lakh |
| ▪ Jaymeet Singh | Rs. 2.12 Lakh | Rs. 10 Lakh |
| ▪ Jaspal | Rs. 32,800 | Rs. 5 Lakh |
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- | ➤ Property / Health Insurance | Sum Assured |
|---|----------------------------------|
| ▪ 1st Residential House(Fire) | Rs. 50 Lakh |
| ▪ 2 nd Residential House(Fire) | Rs. 20 Lakh |
| ▪ Car (Comprehensive) | Rs. 2,47,000 |
| ▪ Shop (Comprehensive) | Rs. 1 Crore |
| ▪ Health Insurance | Rs. 5 lakh family floater policy |
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- | ➤ Interest Rates / Annualized Returns | |
|---------------------------------------|-----------------------------------|
| ▪ Inflation general | 5.50% p.a. |
| ▪ Bank FDR | 9.50% p.a. (Compounded Quarterly) |
| ▪ Mutual Fund MIP | 12.00% p.a. |
| ▪ Bank RD | 7.00% p.a. (Compounded Quarterly) |
| ▪ Equity Index Funds | 15.00% p.a. |
| ▪ Risk Free Instruments | 7.00% p.a. |
| ▪ Debt Mutual Funds | 9.00% p.a. |
| ▪ Balanced Funds | 12.00% p.a. |
| ▪ Real Estate Appreciation | 12.00% p.a. |