

Athens University of Economics and Business

MSc in International Shipping, Finance and Management

Wealth Management

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COURSE ASSESSMENT: Assignment (30%)

You are required to prepare a study (hereinafter called financial plan or plan) based on requirement of an individual (hereinafter referred as client) residing in Athens, Greece. It will be comprised of five chapters, wherein a brief literature on concerned topic will also be contacted.

This plan involves the detailed review and analysis of all facets of client financial situation including cash flow and net worth analysis, retirement planning, risk management and insurance plan, investment plan, tax plan and retirement and estate plan. It is only through comprehensive analysis that client true financial condition can be determined and the proper plan can be recommended. Any financial advisor or planner providing recommendations without addressing all of these aspects for client business will most likely result in unsuitable recommendations.

The first part of plan is on client cash flow and net worth. The component of client balance sheet is analysed. The analysis includes calculation of outstanding amount of home loan and its interest, and comparison of client liability for purchase of these assets with their actual values. On client cash flow analysis some ratio are calculated to identify the effect of cash flow on client financial position.

The second part of plan assesses the risks client is currently exposed to and offers some insurance coverage to mitigate those risks. Plan focuses on client need and requirements considering following elements:

- Client retirement age
- Client's spouse life expectancy
- Client's children education targets
- Impact of inflation on client expenses
- Replacement of car and house in regular intervals

The third part of plan focuses on a general overview of importance of retirement and estate planning and the required steps. Further this plan argues the consequences of lack of these plans. Second part of this plan attempts to identify shortfall client will face on retirement based on his projected cash inflow and outflow before retirement and projected expenses to meet his post-retirement requirement. Besides that this plan offers necessary preparation for estate planning.

Forth part of plan offers a progressive investment plan. It is proposed based on client

goals, requirements and risk profile, which requires client to invest euros 5000 each month on selected stocks. Stocks are selected based on their historical performance on a monthly basis.

Furthermore, this plan will allow client to enjoy euro cost averaging. Attempt will be made to construct a well-diversified portfolio to minimize risk of client capital loss.

Fifth part of plan is designed to calculate client tax payable based on client current situation.

As course of action client is advised to purchase policies recommended in this plan. Inadequacy and unavailability of protection can pose big risk to client dependents, when a premature death or permanent total disability occurs.