

## ***What the book is all about - Synopsis***

Planning things ahead in future helps to mitigate risks of uncertainty. And when you and your family's personal financial security is at stake, why take chances? Financial planning will help in designing the action plan to achieve your financial goal. For example, if you want to fund your child's higher education, and you have 5 years time horizon, you will need a financial plan to let you know how much to save every month and where to invest the saved money.

There are various financial products and investment avenues available today in India, which ignoring them involves huge opportunity cost. To prepare a good personal financial plan, you need a good knowledge about various products and considerable amount of time. Most of the people either never do a proper financial planning or opt for the professional financial planner. If you do not plan your financial goal, the probability is high that you'll never achieve your goal in stipulated time. And if you hire a professional financial planner you may end up paying more in his fees than benefiting from his advice.

To overcome such problems, I have written this book on Personal finance for people who are new to the investment planning and want to take the charge of their personal financial planning in their own hands. This book is written for people who very little or nothing about investing in various personal finance products available today in India. Different products come with different features, return potential and risk characteristics. It is you who have to conduct a self analysis as to what are the financial goals, what is the time horizon available to achieve those goals, prioritizing the goals, defining the risk averseness, funds available to invest and amount needed at the end of investment time horizon. Only after you have answers available for the above questions, you can begin your financial planning.

In this book, you will find various products being discussed, like Mutual funds, Stocks, Fixed income securities, Real estate investing and other investment products. Mutual fund is a collective pool of money from different investors who come together with a common investment objective. The pool of money is then given to the professional investment manager or money manager called Asset management company (AMC). You will also find in this book, how a mutual fund works, different types of mutual funds available in India, what should be considered before investing in a mutual fund and how you should as an investor conduct research on a mutual fund.

Stocks are the equity shares of the company owning which will make you a part owner of the company. They come with a different risk and return profile. In this book, you find investing process in stocks and how is it different from gambling. It also tell you why should one invest in stocks by helping you understand the basics of stocks as an investment. It also talks about the primary market where IPOs and FPOs are issued by the companies to raise the capital and also about the secondary markets where these stocks are traded on the exchanges.

Under the ABC of personal finance, this book will guide you to plan your own financial plan according to your financial goal. It introduces you to various aspects involved in financial planning process.