

MGT1040-PERSONAL FINANCIAL PLANNING

A Project Report

titled

PLAN YOUR IDEAL CAR (YOU ARE A DRIVER OF YOUR OWN SUCCESS)

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January 2023

DECLARATION BY THE CANDIDATE

I hereby declare that the Report entitled “**PLAN YOUR IDEAL CAR-YOU ARE A DRIVER OF YOUR OWN SUCCESS**” submitted by me to VIT Chennai is a record of bonafide work undertaken by me under the supervision of **Dr.SHEIK SALEEM**, Professor,VIT Chennai.

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BONAFIDE CERTIFICATE

Certified that this project report titled **“PLAN YOUR IDEAL CAR-YOU ARE A DRIVER OF YOUR OWN SUCCESS”** is the bonafide work of **“R.NISHIKANTH.REDDY(20BLC1045),DHANANJAY.CHANDEL(20BLC1128),ROHIT.YADAV(20BEC1357),PRIYANSH.SRIVASTAVA(20BLC1056),AMAN KUMAR(20MIA1144)”** who carried out the project work under my supervision.

Certified further that to the best of my knowledge the work reported herein does not form part of any other thesis or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

SIGNATURE

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TABLE OF CONTENTS

SR.NO	TITLE	PAGE.NO
1.	INTRODUCTION	5
2.	OBJECTIVES	6
3.	METHODOLOGY	7
4.	DATA ANALYSIS AND INTERPRETATION	9
5.	CONCLUSION	19

CHAPTER 1

INTRODUCTION

Planning your idea car using financial planning involves creating a detailed budget and financial plan that outlines the costs associated with building or purchasing your dream car. Financial planning is an essential step in ensuring that you can afford to bring your car ideas to life and achieve your goals within a realistic timeframe.

To begin, you will need to research the costs of all the components required to build your ideal car. This may include parts, labor, shipping, and other associated expenses. You will also need to determine the funding sources available to you, such as personal savings, loans, grants, or investments.

Once you have a clear understanding of the costs and funding sources, you can create a detailed financial plan that includes projected expenses, revenue streams, and cash flow projections. This plan will help you determine if your idea car is financially feasible and if you will need to make any adjustments to your plan to make it work.

Financial planning also involves identifying potential risks and developing strategies to mitigate them. This may include setting aside funds for unexpected expenses or creating a contingency plan in case of unforeseen challenges.

In summary, financial planning is a critical aspect of planning your idea car. By developing a comprehensive financial plan, you can ensure that your project is financially feasible and that you have the resources necessary to bring your dream car to life.

CHAPTER 2

OBJECTIVES

To plan for your ideal car using financial planning, you will need to set clear objectives that will guide your decision-making process. Here are some potential objectives to consider:

Determine your budget: Start by setting a budget for your car purchase. Determine the maximum amount you can afford to spend, taking into account your income, expenses, and other financial obligations.

Determine the type of car you want: Decide on the type of car you want based on your lifestyle, needs, and preferences. Do you need a large family car, a fuel-efficient car for commuting, or a sports car for weekend drives?

Determine the car features you want: Identify the features that are important to you, such as safety features, fuel efficiency, entertainment options, and comfort.

Research car prices: Research the prices of the cars you are interested in to determine their affordability. Look for deals and discounts that can help you save money.

Determine financing options: Decide on the financing options that work best for you. Would you prefer to pay in cash, take out a loan, or lease the car?

Plan for car-related expenses: Plan for the ongoing expenses associated with car ownership, such as insurance, maintenance, and repairs.

Create a savings plan: If you need to save up for your car purchase, create a savings plan that will help you reach your goal within your desired timeframe.

By setting these objectives and taking a systematic approach to car purchasing, you can make a financially sound decision that aligns with your lifestyle and preferences.

CHAPTER 3

METHODOLOGY

Goal-Based Planning: This methodology focuses on setting specific financial goals, such as retirement planning, saving for a child's education, or buying a home. The financial plan is then tailored to achieve these specific goals.

Methodology for planning and understanding the financial situation of individuals for buying a car:

- Define the research objective
- Design the survey questionnaire
- Create a Google Form
- Circulate the Google Form
- Collect and analyze data
- Interpret results and draw conclusions
- Summarize the survey findings, including the results and conclusions
- Share the results

By following this methodology, you can effectively plan, conduct, and analyze a Google Form survey to understand the financial situation of individuals for buying a Ideal car and derive meaningful insights from the collected data.

Goal-based planning is a process of identifying, prioritizing, and achieving specific objectives or goals. It involves developing a roadmap or a plan of action that outlines the steps required to achieve those goals. The planning process begins with identifying the goals, understanding the resources and constraints, and then developing a plan of action that outlines the steps required to achieve the desired outcomes.

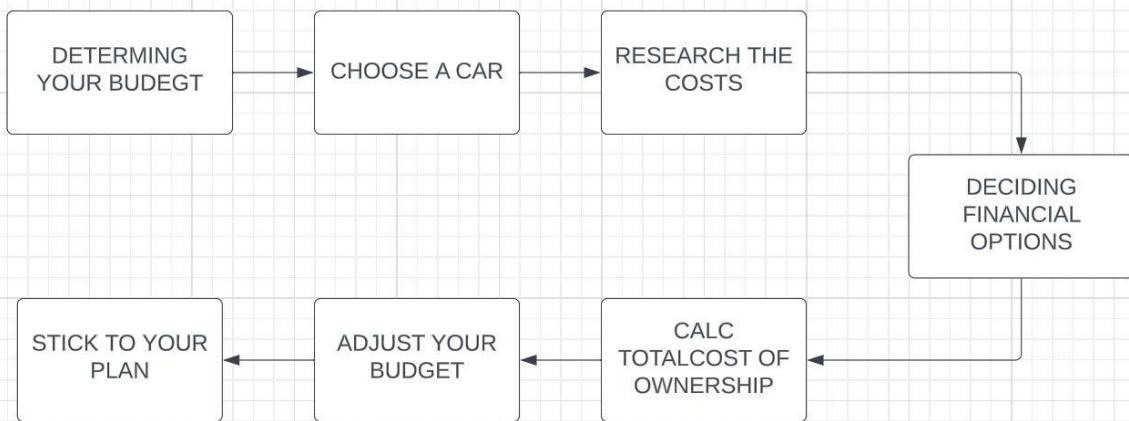
Identifying goals: This involves understanding what needs to be achieved, setting clear and specific objectives, and defining success criteria.

Assessing resources and constraints: This involves identifying the resources available, such as time, money, and personnel, as well as any constraints or limitations that may impact the plan.

Developing a plan of action: This involves outlining the steps required to achieve the goals, including timelines, tasks, and responsibilities.

Implementing the plan: This involves putting the plan into action, monitoring progress, and making adjustments as necessary.

Evaluating outcomes: This involves measuring the success of the plan against



the defined success criteria and identifying areas for improvement.

Overall, goal-based planning is a structured approach to achieving desired outcomes, and it can be applied in various settings to help individuals and organizations achieve success.

Determine your budget: The first step in financial planning for a car is to determine how much money you can afford to spend on a car. Consider your income, expenses, and other financial goals.

Choose a car that fits your needs: Consider your lifestyle and what kind of car will suit your needs. Think about the size, fuel efficiency, and features that are important to you.

Research the costs: Once you have an idea of what kind of car you want, research the costs associated with it. This includes the purchase price, taxes, insurance, fuel, maintenance, and repairs.

Decide on financing options: Consider whether you want to finance the car through a loan or lease. Look at the interest rates and terms of the loan or lease to determine the best option for your budget.

Calculate the total cost of ownership: Determine the total cost of ownership for the car over the length of the loan or lease. This includes the monthly payments, interest, insurance, fuel, maintenance, and repairs.

Adjust your budget: Based on the total cost of ownership, adjust your budget to ensure you can afford the car. This may involve reducing expenses in other areas or choosing a less expensive car.

Stick to your plan: Once you have a plan in place, stick to it. Avoid making impulse purchases or getting caught up in the excitement of buying a new car. Remember your financial goals and priorities.

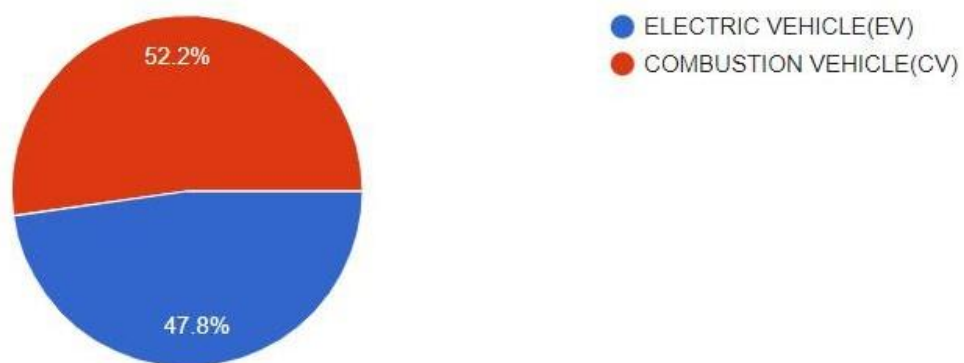
CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

DREAM CAR

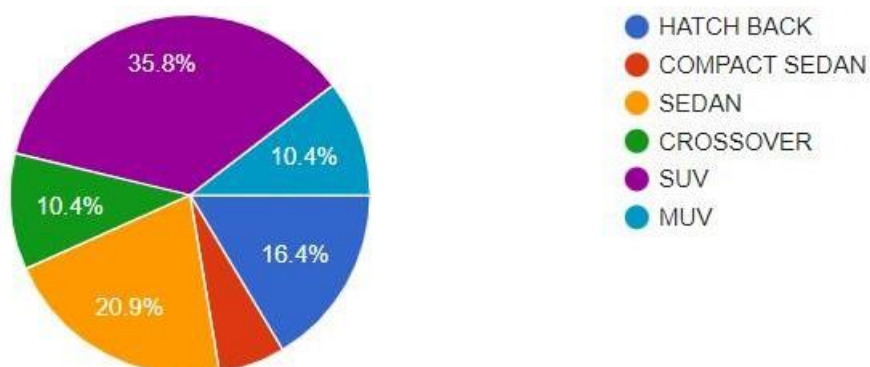
The choices people make for their dream cars are incredibly diverse, with options ranging from sport cars that exude sleekness, power, and excitement, to luxurious vehicles that offer unmatched comfort, innovation, and sophistication.

WHAT DO YOU PREFER IN YOUR NEAR FUTURE?



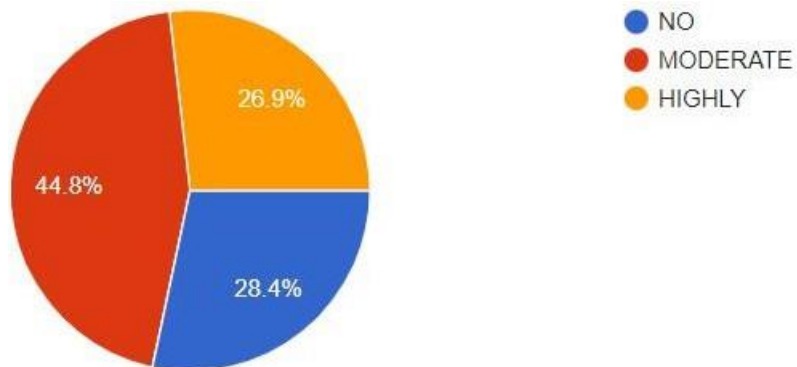
This shows that combustion vehicles (CVs) are preferred slightly more than Electric vehicles (EVs), with 52.2% of respondents preferring CVs and 47.8% preferring EVs.

WHAT TYPE OF CAR YOU PREFER?



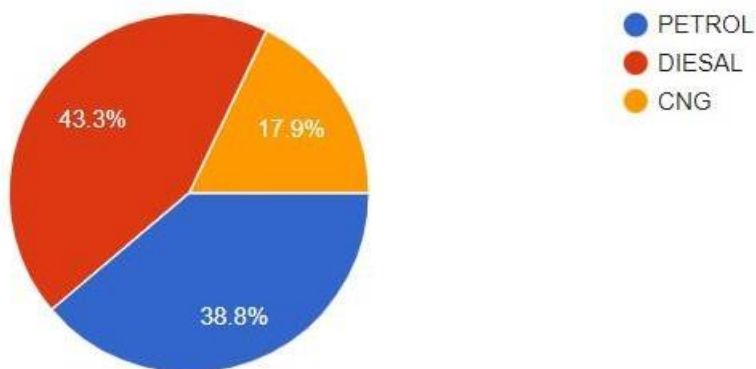
The most preferred type of car is a sedan, with 35.8% of respondents choosing it, followed by SUVs with 20.9% preference.

IS RESALE VALUE IMPORTANT?



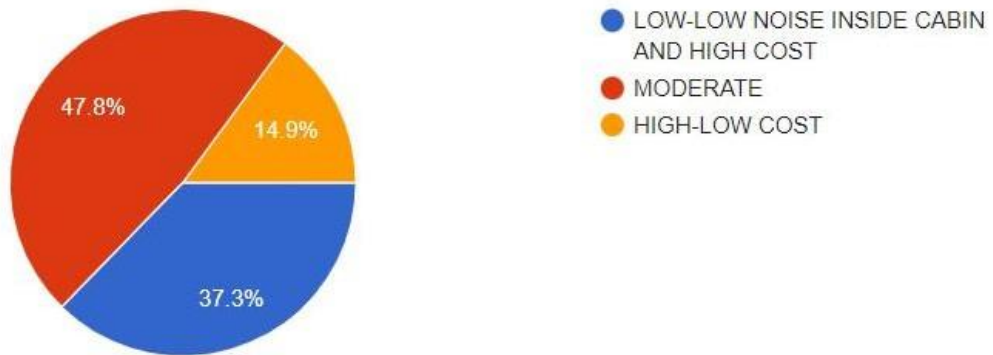
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FUEL TYPE



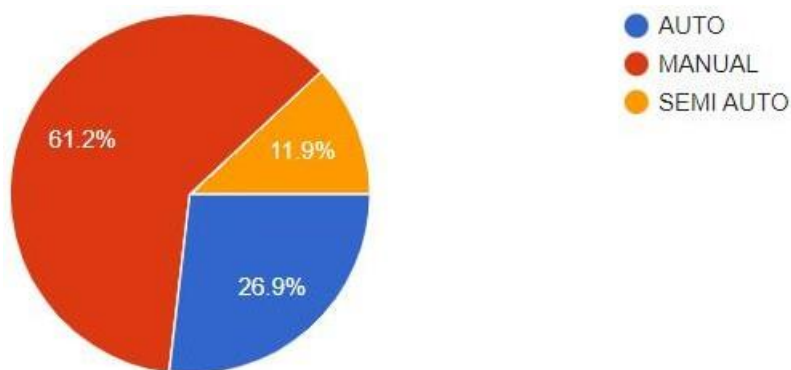
Diesel is the most preferred fuel type among respondents, with 43.3% choosing it, followed by CNG with 38.8% preference, and petrol with 17.9% preference.

NVH(NOISE|VIBRATIONS|HARSHNESS)?



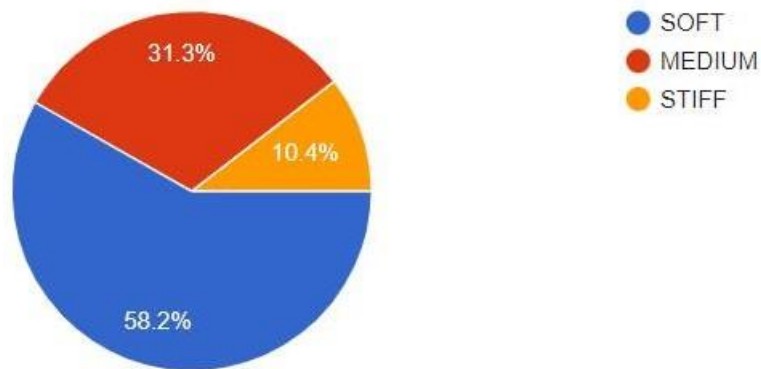
Most respondents prefer moderate levels of NVH (noise, vibrations, harshness) in their vehicles, with 47.8% of respondents choosing it, followed by low noise inside the cabin and high cost with 37.3% preference.

TRANSMISSION TYPE



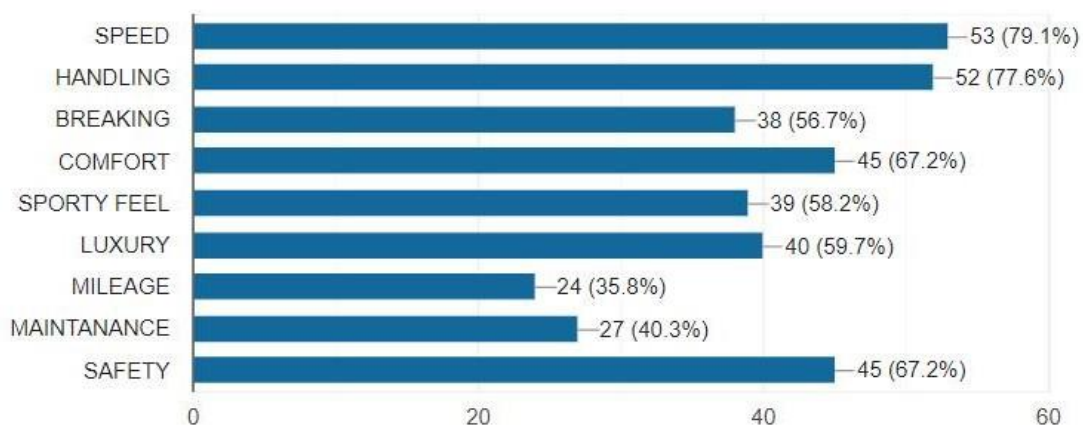
Manual transmission is the most preferred type of transmission among respondents, with 61.2% choosing it, followed by semi-auto with 26.9% preference, and auto with 11.9% preference.

SUSPENSION?



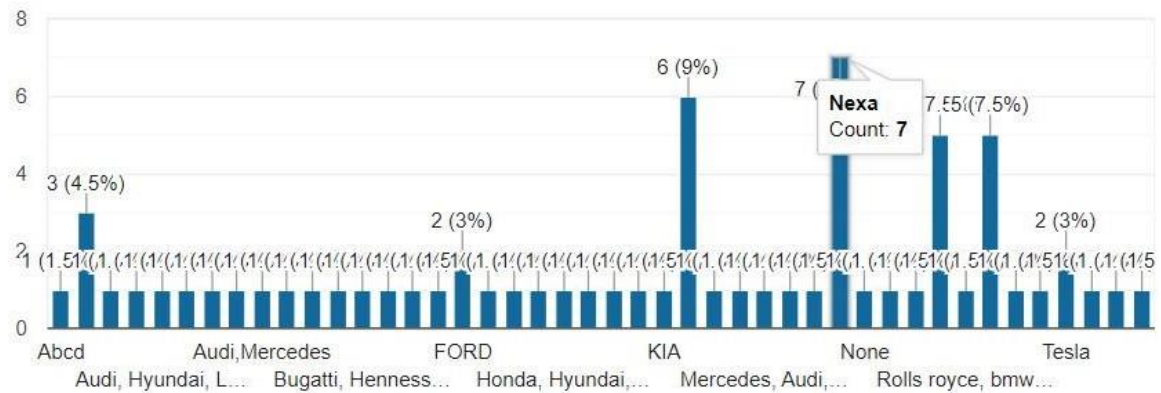
Stiff suspension is the most preferred among respondents, with 58.2% choosing it, followed by medium with 31.3% preference, and soft with 10.4% preference.

CHARACTERISTICS



The most important characteristics preferred by respondents in a car are speed, handling, comfort, and safety, with more than 50% of respondents considering them as important factors. Mileage, maintenance, and luxury are also important to a significant portion of respondents.

PREFERRED BRANDS?



Audi, Mercedes, and Hyundai are popular choices among respondents, with Mercedes and Audi being preferred by multiple respondents.

Other popular car brands among respondents include Honda, Kia, Ford, and Tesla, with each brand being preferred by at least one respondent.

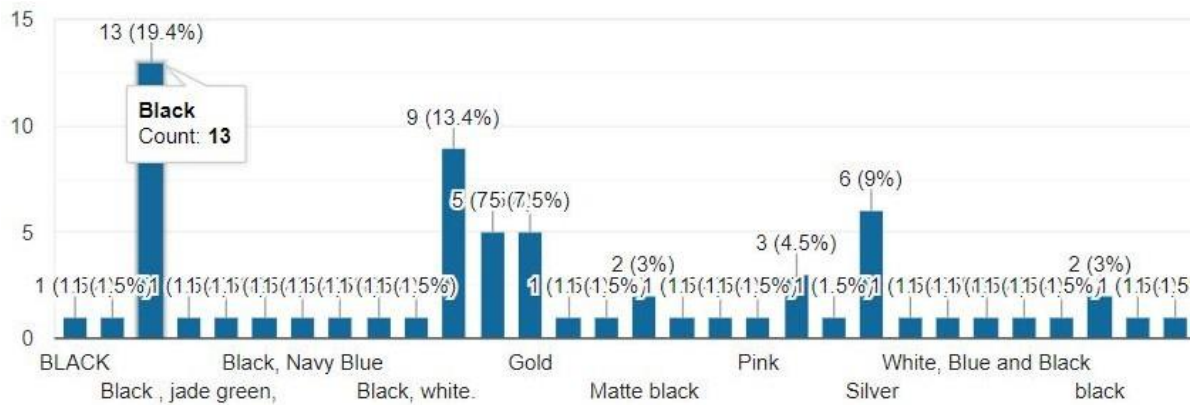
Bugatti, Rolls Royce, and BMW are also mentioned as preferred brands by a few respondents.

Some respondents mentioned "None" as their preferred brand, indicating that they do not have a specific preference for any brand.

It's important to note that the preferences for car brands vary among respondents, with no single brand being preferred by a significant majority of respondents.

The data provided does not provide detailed information about the reasons behind the brand preferences, and it's important to consider that individual preferences for car brands can be influenced by various factors such as personal experiences, brand reputation, price, features, and more.

COLOUR?



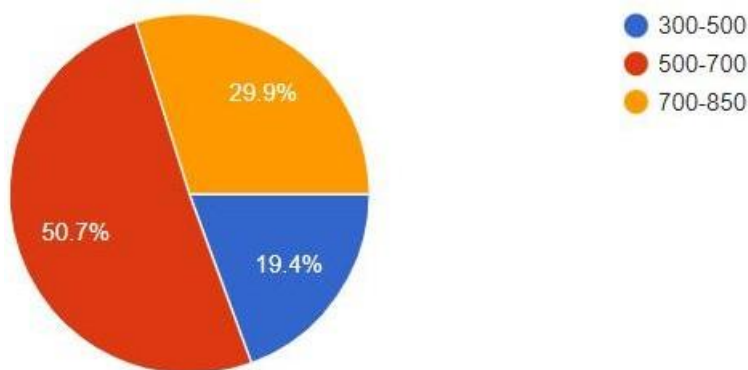
Black is the most preferred color among the respondents, mentioned 13 times, which is approximately 19.4% of the total responses.

White is mentioned 10 times, indicating a relatively high level of preference.

Silver is mentioned once, indicating a relatively lower level of preference.

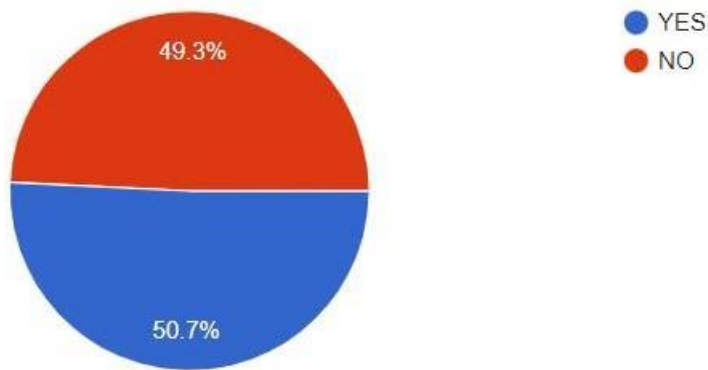
Other colors mentioned include gold, matte black, pink, blue, navy blue, and jade green, each mentioned once or twice.

RANGE OF UR CREDIT SCORE



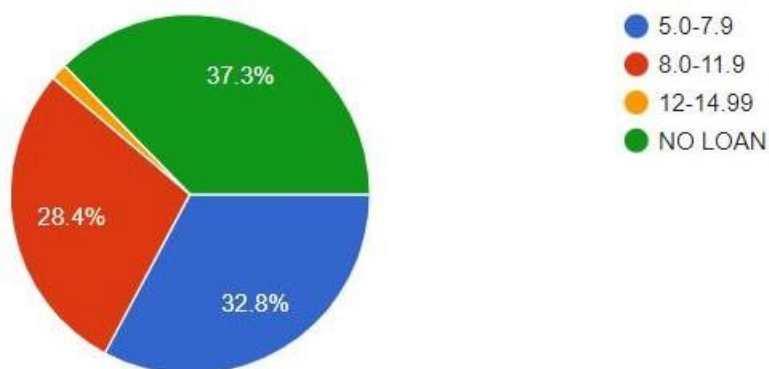
Credit Score Range: Among the respondents, 19.4% have a credit score between 300-500, 29.9% have a credit score between 500-700, and 50.7% have a credit score between 700-850.

WILLINGNESS TO TAKE A LOAN



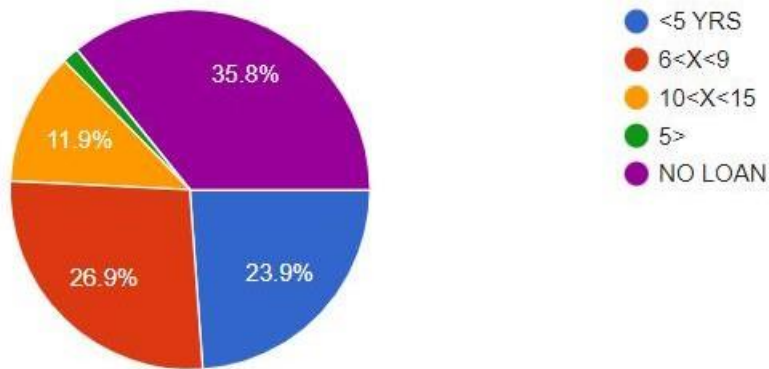
Willingness to Take a Loan: Out of the respondents, 49.3% are willing to take a loan and 50.7% are not willing to take a loan.

INTEREST RATE ON LOAN



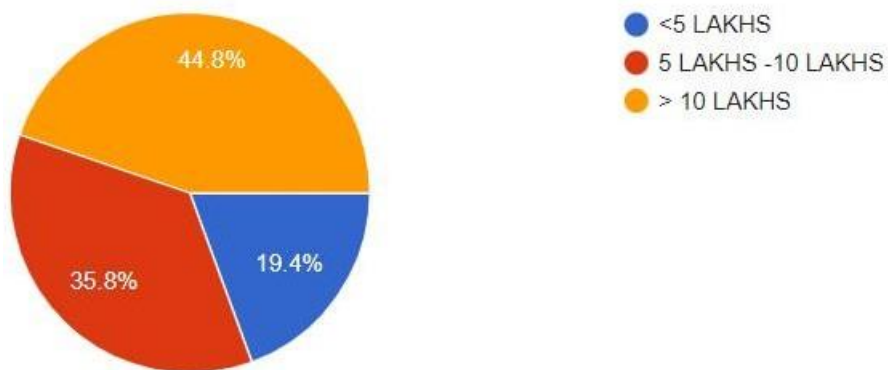
Interest Rate on Loan: Among the respondents, 37.3% prefer an interest rate of 5.0-7.9% on their loan, 28.4% prefer an interest rate of 8.0-11.9%, and 32.8% prefer an interest rate of 12-14.99%. Additionally, 26.9% of the respondents mentioned that they do not require a loan.

LOAN TERM I.E DURATION OF THE LOAN



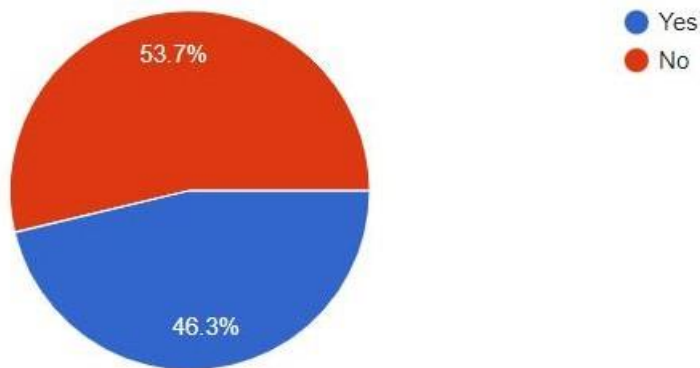
Loan Term (Duration): Among the respondents, 23.9% prefer a loan term of less than 5 years, 35.8% prefer a loan term between 6-9 years, 11.9% prefer a loan term between 10-15 years, and 26.9% do not require a loan.

ASSETS WORTH



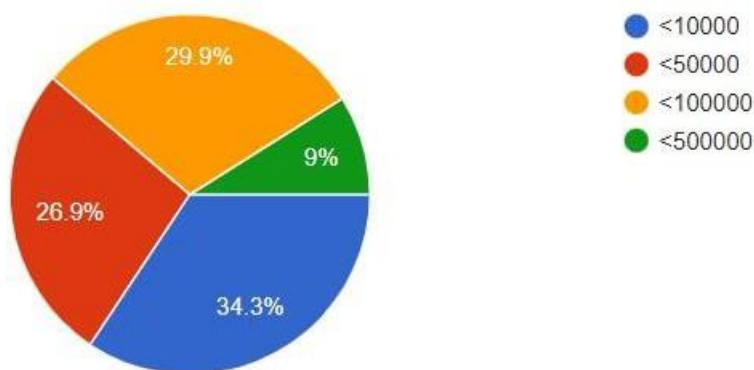
Assets Worth: Among the respondents, 19.4% have assets worth less than 5 lakhs, 44.8% have assets worth between 5-10 lakhs, and 35.8% have assets worth more than 10 lakhs.

ANY OTHER VEHICLES OWNER



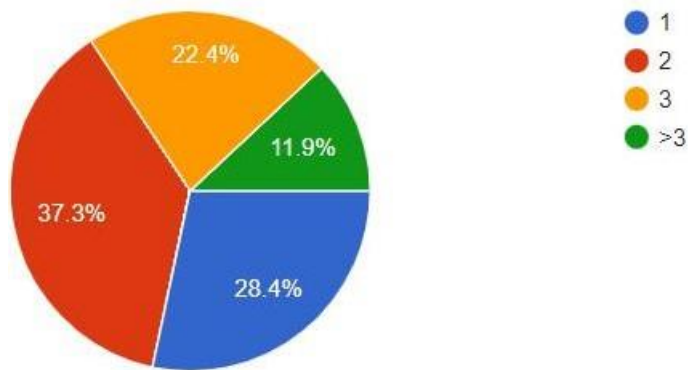
Ownership of Other Vehicles: Among the respondents, 53.7% own other vehicles and 46.3% do not own any other vehicles.

NETWORTH\MAINTAINANCE COST READY TO SPEND YEARLY



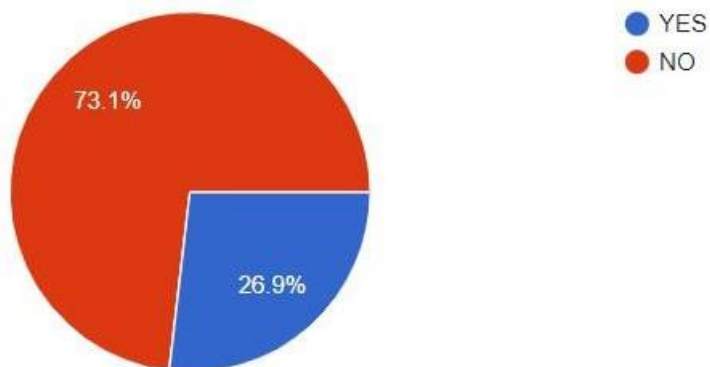
Net Worth/Maintenance Cost Ready to Spend Yearly: Among the respondents, 9% are ready to spend less than 10,000 yearly, 29.9% are ready to spend less than 50,000 yearly, 26.9% are ready to spend less than 1,00,000 yearly, and 34.3% are ready to spend less than 5,00,000 yearly.

NO OF DRIVERS IN THE HOUSE



Number of Drivers in the House: Among the respondents, 11.9% have 1 driver in the house, 22.4% have 2 drivers, 37.3% have 3 drivers, and 28.4% have more than 3 drivers.

ANY OTHER ONGOING LOAN



Ongoing Loan: Among the respondents, 73.1% have an ongoing loan and 26.9% do not have any ongoing loan.

CHAPTER 5

CONCLUSION

After careful financial planning, you can conclude that purchasing an ideal car is a significant investment that requires thorough consideration of your budget, lifestyle, and future goals. By creating a financial plan, you can determine how much you can afford to spend on a car, including the upfront costs, ongoing maintenance, insurance, and financing expenses.

Based on your budget and financial goals, you can determine what type of car is ideal for you, whether it's a new or used vehicle, a compact or mid-size car, or an SUV or truck. You should also consider the fuel efficiency, safety features, and resale value of the car you want to buy, as well as any potential tax incentives or rebates.

To further ensure your financial stability, you may want to consider financing your car through a low-interest loan or lease option. Additionally, you can save money on ongoing maintenance and repairs by purchasing a car that has a good warranty or a reliable track record for long-term durability.

Overall, by taking the time to plan your ideal car purchase, you can make a smart financial decision that meets your transportation needs while also keeping you financially secure in the long run.