## **📘 Knowledge Base for RAG — Financial Assistant AI Agent**

### **🔹 1. Budgeting Basics**

**Q: What is a monthly budget and why is it important?**

A: A monthly budget is a financial plan that tracks income and expenses. It helps individuals manage money, reduce unnecessary spending, save for future goals, and avoid debt.

**Q: What’s the 50/30/20 budgeting rule?**

A: The 50/30/20 rule suggests allocating income as follows:

* 50% for needs (bills, rent, food)
* 30% for wants (entertainment, shopping)
* 20% for savings or debt repayment

**Q: How can I reduce monthly expenses?**

A: Track your spending, cancel unused subscriptions, cook at home, set spending limits, and use budgeting apps.

### **🔹 2. Savings and Emergency Funds**

**Q: How much should I save in an emergency fund?**

A: Ideally, 3–6 months' worth of essential expenses. This protects you from unexpected events like job loss or medical emergencies.

**Q: What are some easy ways to start saving?**

A: Automate savings transfers, save small change daily, avoid impulse purchases, and set clear saving goals.

### **🔹 3. Credit and Loans**

**Q: What is a credit score?**

A: A credit score is a number that reflects a person's creditworthiness, based on payment history, debt, credit utilization, and more. It typically ranges from 300–850.

**Q: How can I improve my credit score?**

A: Pay bills on time, keep credit card balances low, avoid opening too many new accounts, and monitor your credit report for errors.

**Q: What is the difference between secured and unsecured loans?**

A: Secured loans require collateral (like a house or car). Unsecured loans do not but often have higher interest rates.

### **🔹 4. Common Financial Frauds & Scams**

**Q: What are signs of a financial scam?**

A: Red flags include:

* Requests for OTPs or passwords
* Promises of guaranteed returns
* Urgent messages from unknown numbers
* Phishing emails imitating banks or services

**Q: How can I protect myself from fraud?**

A: Never share sensitive information (like OTPs or CVVs), verify URLs before clicking, use two-factor authentication, and monitor account activity regularly.

**Q: What should I do if I suspect fraud?**

A: Immediately contact your bank or financial service provider, block your cards if necessary, and report the scam to local cybercrime authorities.

### **🔹 5. Building Financial Confidence**

**Q: How can I become more confident about money?**

A: Start small: create a budget, set savings goals, learn key terms, ask questions without hesitation, and track your progress.

**Q: Where can I learn personal finance?**

A: Trusted sources include:

* RBI and SEBI educational portals
* Nonprofit organizations like Investopedia, MyMoney.gov, or local financial literacy programs
* Books: *Rich Dad Poor Dad*, *The Psychology of Money*, *Your Money or Your Life*

### **🔹 6. Safe Online Practices**

**Q: How do I bank safely online?**

A: Use strong passwords, avoid public Wi-Fi, log out after sessions, use official apps, and enable biometric or OTP verification.

**Q: What are phishing scams?**

A: These are fraudulent attempts to steal your data via fake emails, websites, or messages. Always check email domains and avoid clicking suspicious links.

### **🔹 7. Important Resources (India-specific)**

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| **Resource** | **Description** | **Website** |
| RBI Financial Literacy | Official guides on banking & fraud prevention | [https://rbidocs.rbi.org.in](https://rbidocs.rbi.org.in/) |
| SEBI Investor Awareness | Info on investing safely | [https://investor.sebi.gov.in](https://investor.sebi.gov.in/) |
| National Cyber Crime Portal | Report financial frauds | [https://cybercrime.gov.in](https://cybercrime.gov.in/) |
| NPCI Guidelines | Safe digital payments | [https://www.npci.org.in](https://www.npci.org.in/) |

### **🔹 8. FAQs for Agent Training**

**Q: Can you help me avoid investment scams?**

A: I can help you identify red flags, but always consult a certified financial advisor before investing.

**Q: Is it okay to give my PAN or Aadhaar number online?**

A: Only share such information on trusted, secure government or bank portals.

**Q: My bank sent me a link asking for login details. Should I trust it?**

A: No. Banks never ask for login details via email or SMS. Always go directly to the official site.