

**NIKHIL:** A plan will give you a detailed picture of your needs, resources and goals you wish to achieve. Without making a plan you would be unsure of completing the task at hand and could end up wasting the available resources. Suppose we don't plan for the birthday, then it is possible that all of your classmates may not be invited; the snacks may not be delivered in time and the birthday party may not turn out as good as you wanted it to be. But if we plan, we can make sure not to make any errors and we will be better equipped to handle any unusual situations.

**SHANTANU:** Oh! I had never thought of this before. Our Professor for Investments in the first session of financial planning was telling us about why we need to plan. What does financial planning mean?

**NIKHIL:** Financial Planning means to plan your finances. For this, it is important that one understands his financial needs or objectives and then plan how he can achieve these objectives or goals by making investments or by borrowing funds.

**SHANTANU:** Is this what your profession is all about?

**NIKHIL:** Yes, as a financial planner I assist investors to help plan their finances and manage their investments. We assist investors in choosing the right asset classes to park their funds so that they can achieve their personal financial needs in future.

**SHANTANU:** So how do I plan for the birthday party?

**NIKHIL:** Let's note down the things we have and things we need for the party. (Look at the following box items that Shantanu writes down as his brother asks him.)

**NIKHIL:** To start with, how many people would you be inviting for the party?

**SHANTANU:** I am planning to invite our entire class of 30 students.

**NIKHIL:** That's a big group of people. Have you collected any funds to arrange for the party?

**SHANTANU:** I have managed to collect Rs 6090 from my classmates.

**NIKHIL:** Now that we have an idea of how many guests are invited and the available funds we can plan the event accordingly. First of all, we should allocate our funds to the snacks and the birthday cake so that the funds are utilized well. Do you know the charges for the snacks?

**SHANTANU:** I have found out that party orders at the nearest fast food corner for 30 people would cost us close to Rs 3000.

PARTY PLANNING	
Guests (in nos.)	30
Funds (Rs)	6090
Snacks (Rs)	3000
Gifts (Rs)	2500
Balance (Rs)	590

**NIKHIL:** So this would cost us 50% of the funds collected. Do you wish to buy your friend a gift and give away souvenirs to the guests?

**SHANTANU:** Yes, but is it possible? I want to buy a play station for my friend on behalf of all of my classmates.