

Financial Education Programme for College Students (FEPCS)



राष्ट्रीय वित्तीय शिक्षा केन्द्र
National Centre for Financial Education
एक आर्थिक रूप से जागरूक और सशक्त भारत
A financially aware and empowered India

Promoted By :



ABOUT US

NCFE is promoted by the financial sector regulators i.e. RBI, SEBI, IRDAI and PFRDA, set up under guidance of the Technical Group on Financial Inclusion and Financial Literacy of the Financial Stability and Development Council (FSDC) to implement the National Strategy for Financial Education (NSFE).





VISION & MISSION

VISION: A financially aware and empowered India.

MISSION: To undertake massive Financial Education campaign to help people manage money more effectively to achieve financial well being by accessing appropriate financial products and services through regulated entities with fair and transparent machinery for consumer protection and grievance redressal.

WE BELIVE...

FINANCIAL
EDUCATION



FINANCIAL
LITERACY



FINANCIAL
INCLUSION



FINANCIAL
FREEDOM



FINANCIAL LITERACY LEADS TO
FINANCIAL INCLUSION
WHICH ENABLES PEOPLE TO
ACHIEVE...

**FINANCIAL
FREEDOM**





WHAT IS **FINANCIAL LITERACY**



FINANCIAL LITERACY



Financial Literacy

It is a combination of Financial Knowledge, Financial Behaviour, and Financial Attitude necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.

LET'S START

1. Identity theft protection
2. Use your credit card responsibly
3. Student loan borrowing principles
4. Avoid impulse buying
5. Let's go cashless
6. Your first pay Cheque



1

Identity theft

PROTECTION



1/5

People use
password
as their password.

MISCONCEPTION

We think Identity theft only happens to people with money, but the truth is you don't have to have money to be a victim.



Identity theft is real.

Get serious
Not scared!

Any kind of deception, scam, or crime that results in the loss of personal data, including the loss of user names, passwords, banking information, credit and PAN card numbers, etc., that is then used without your permission to commit fraud and other crimes.



How it occurs?

- Phishing emails, lottery and job scams
- Download malware onto computers or smartphones that steals information
- Connect to wireless networks that are insecure
- Take out money from an ATM that has been rigged with a skimming device
- Share passwords with untrustworthy people
- Information stolen from e-commerce and other sites you frequently visit, etc.

PROTECT YOURSELF

1

Keep a list of all of your credit, ATM/debit cards and emergency phone numbers of each issuer in a secure place quickly accessible by you.

4

Check your bank statements and credit score regularly.

7

Always opt for email or SMS alerts offered by your bank that tells you about any activity in your account.

2

Don't let your credit card out of your sight when you use it to pay in a store or restaurant.

5

Don't give your PAN card number, ATM/debit or credit card number & PIN to anyone who call you.

8

Protect your computer and smartphone. Regularly update anti-virus, anti-spyware, and anti-phishing software.

3

Don't throw the receipt after withdrawing money from an ATM. It has the last 4 digits of your card number.

6

Avoid posting your date of birth, mother's maiden name or other personal information on social networking websites.

9

Set strong passwords with upper- and lower-case letters, numerals, and special characters.



If you suspect you've been a victim of identity theft, act quickly. Contact your creditors and financial institutions to report unauthorized charges or debits, and freeze any compromised accounts.

File a report with your local police.

2

Use your
CREDIT CARD
RESPONSIBLY

A smiling woman with long dark hair, wearing a light-colored top, holding a credit card and a shopping bag.

CREDIT CARDS ARE A PARADOX.

If you don't know how to use credit cards responsibly, it can be dangerous.

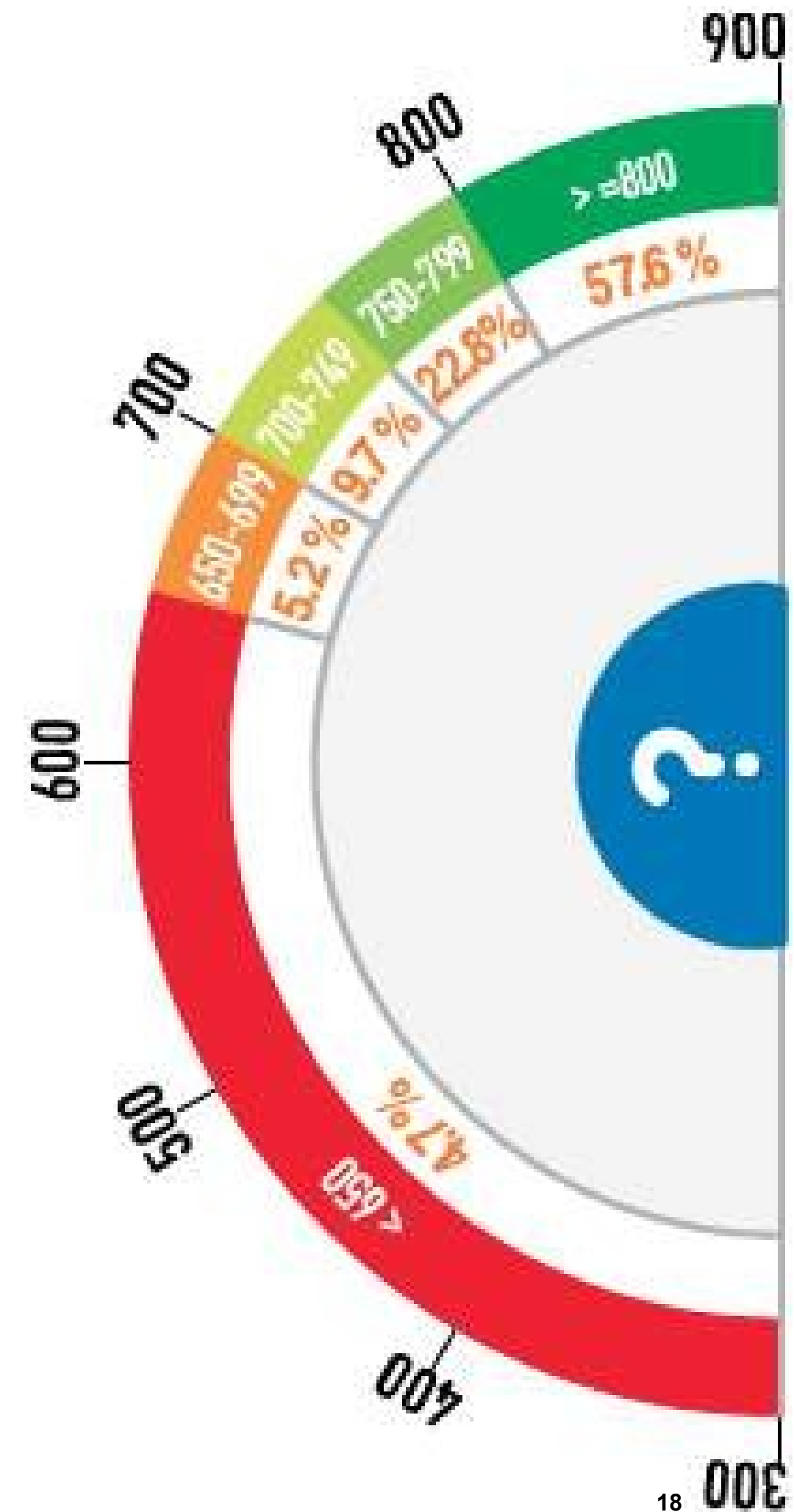
But if you're smart about credit cards, they can help you improve:

- your credit score
- earn reward points
- manage your short-term borrowings, etc.
- Avoid the need of carrying cash

YOUR LOAN APPROVAL DEPENDS ON YOUR CREDIT SCORE.

Credit score shows the [creditworthiness](#) of a person and is the determining factor for the [approval of a loan](#) or credit card application.

Figures on the right shows the relationship between CIBIL score and percentage of new loans approved.



KNOW YOUR CREDIT CARD

ANNUAL FEES

- You're offered a "FREE" card
- Fee waived off for lifetime or the first year?
- Joining and annual maintenance fees
- After first year, fees can be a minimum of Rs. 200 and higher

INTEREST CHARGES

- If outstanding bill is not paid within due date
- Monthly interest rate of 2 to 4 percent only
- What is hidden is this rate is annualized (24-48%)
- Understand APR (Annualized Percentage Rate)

MINIMUM PAYMENT TRAP

- Lured to pay only the minimum due amount
- Generally, 2 to 5 percent of total outstanding amount

On a bill of Rs. 25,000 and an APR of 36%, if you only make the minimum payments, it would take around 20 years and Rs. 62,000 to payoff the total debt.

LATE PAYMENT CHARGES

- Hefty penalty charges for not paying within due date
- Fee can be either fixed or depend upon the outstanding amount
- Fee amount can be Rs. 500 or higher
- Late payment will affect credit score

CASH WITHDRAWAL

- Withdrawing cash from ATM has both interest charges and a fee
- Interest is charged from day 1
- Fee is typically Rs. 300 fixed or 2.5 percent whichever is higher

CROSSING THE LIMIT

- Exceeding the credit limit has charges
- Even if you exceed by just 1 rupee
- Fee is typically Rs. 500 fixed or 2.5 percent whichever is higher

FOREIGN TRANSACTIONS

- Buying something in Dollar or Euro would cost you extra
- Transaction is converted to INR
- Transaction charge is typically 3.5 percent

HOW TO USE YOUR CREDIT CARD RESPONSIBLY?

1

- The 30% credit utilization rule. Not using a credit card can be as bad as overusing.
- Pay off your balance in full before due date.

2

- Track your discretionary spending. Get fraud and purchase protection.

3

- Regularly check your account activity online. Be aware of the marketing gimmicks. Feel secure with access to an emergency line of credit.

3

Education Loan

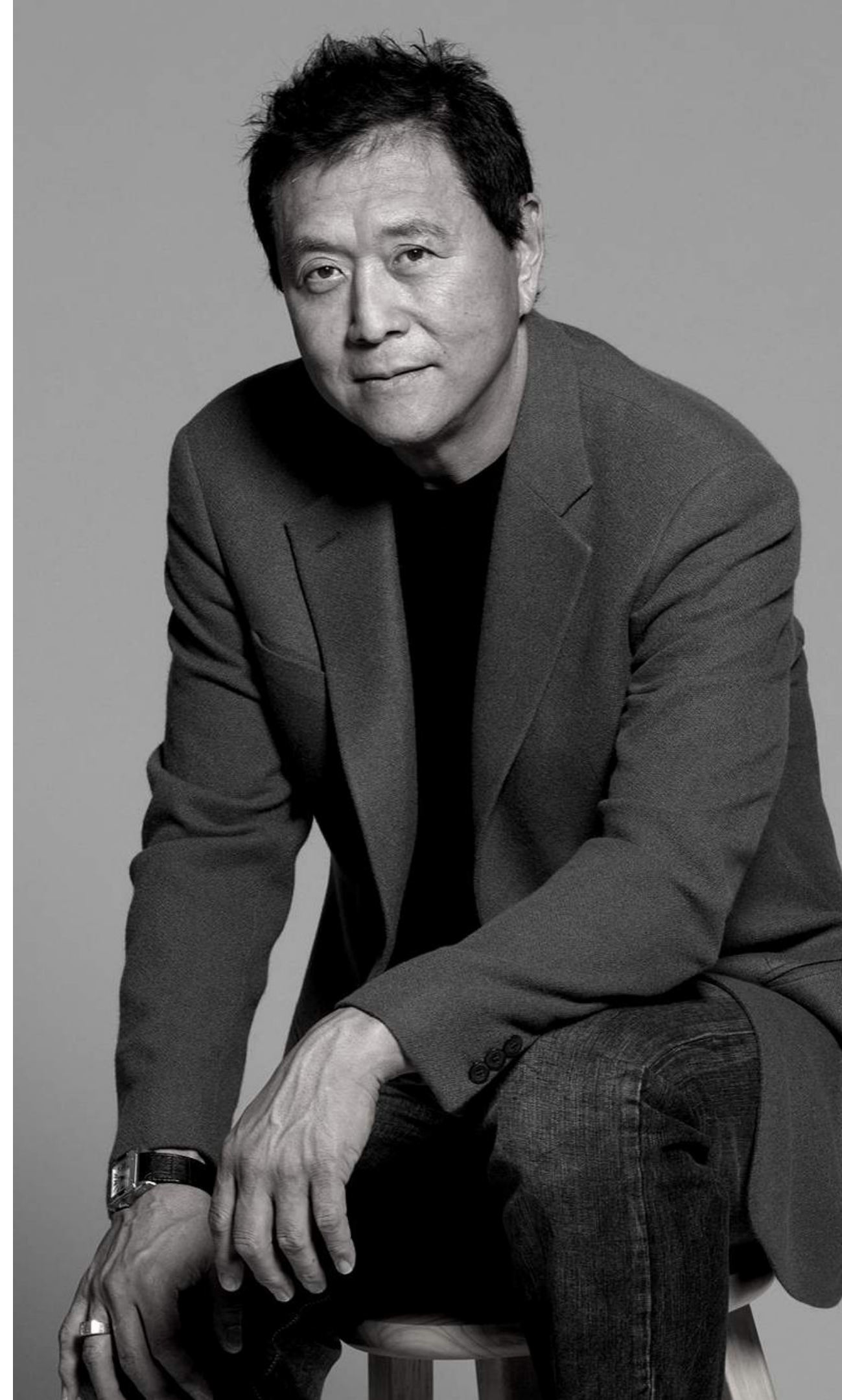
BORROWING PRINCIPLES



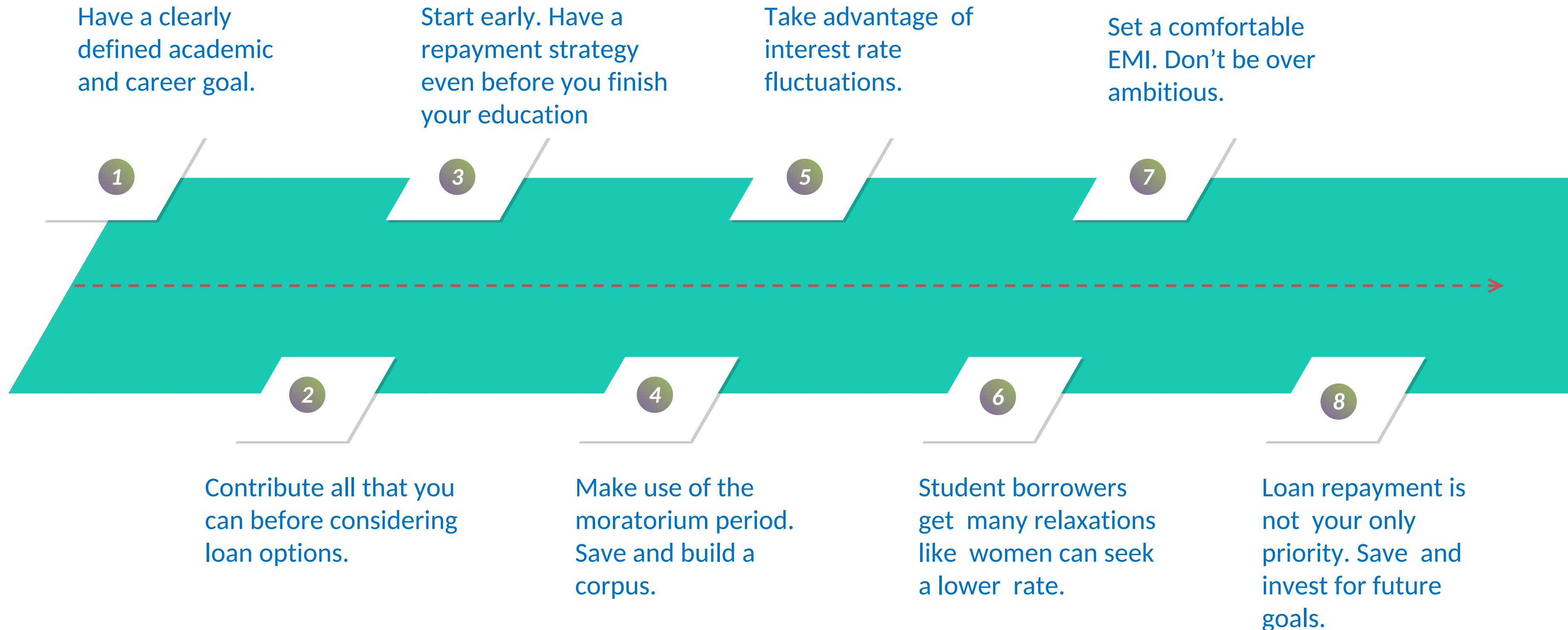
**EDUCATION IS
MORE VALUABLE
THAN MONEY, IN
THE LONG RUN.**

Robert Kiyosaki

Author of Rich Dad Poor Dad



EDUCATION LOAN PRINCIPLES



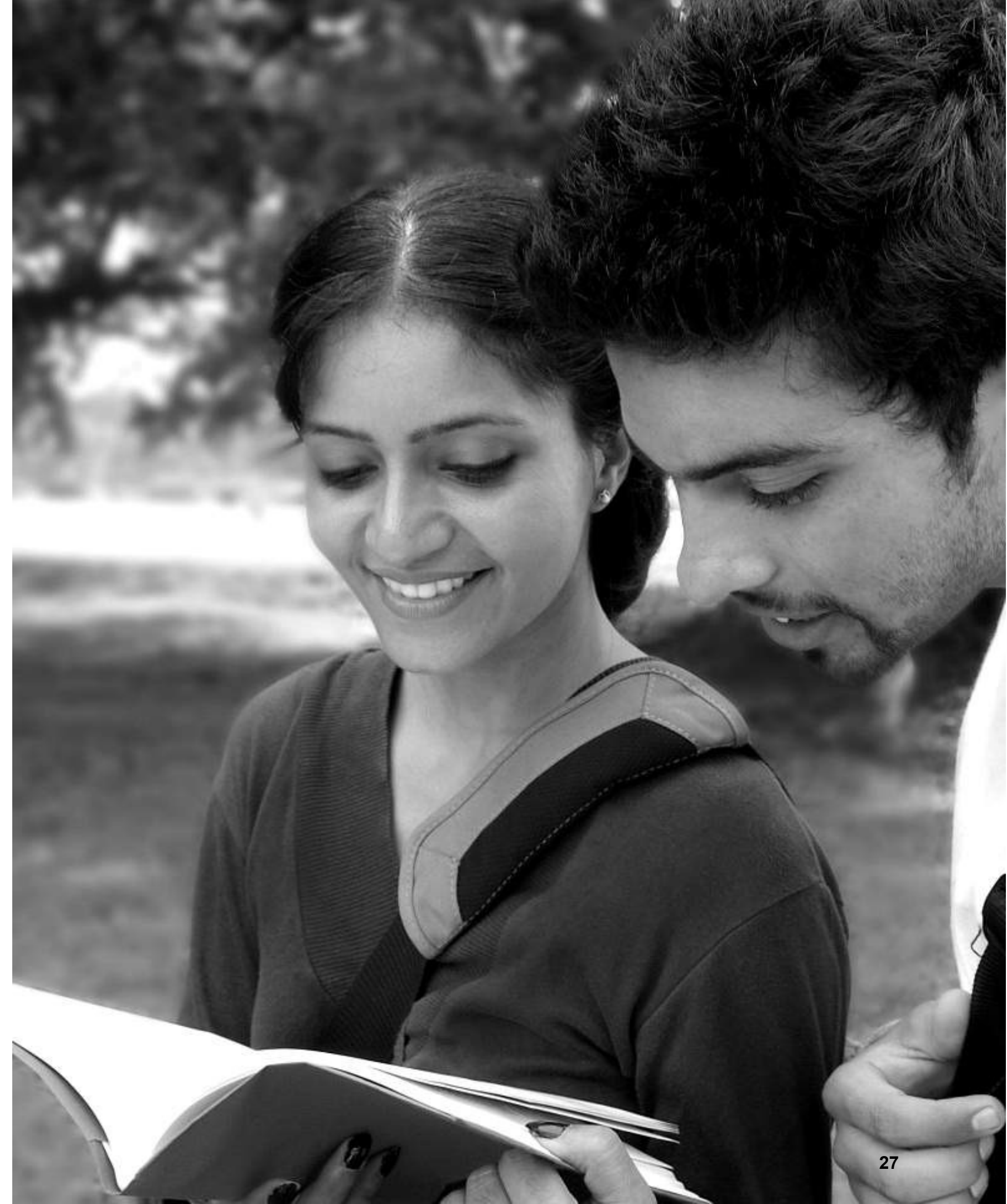


SHOULD YOU PREPAY?

Do your own cost-benefit analysis

Potential costs

- Interest payment on loan.
- Banks may have prepayment penalty charges.
- Potential fluctuations in future interest rates.





Do your own cost-benefit analysis

Potential benefits

- Interest paid is eligible for tax deduction u/s 80E.
- Potential earning from investments.
- Potential fluctuations in future interest rates.

WHAT IF YOU DON'T GET A JOB?

**For exceptional and genuine cases banks may consider extending the repayment period.
Talk to your bank.**

4

Avoid

IMPULSE BUYING

IMPULSE BUYING

We have all done it! Take a moment to look around your house and you'll probably find lots of products that you never really use.



WHY WE BUY IMPULSIVELY

Shopping is fun

Buying is an act of empowerment
and we derive pleasure from it.



WHY WE BUY IMPULSIVELY

Loss aversion

Because we don't want to miss out on the limited period offer.



WHY WE BUY IMPULSIVELY

Desire to save

Its very difficult to resist the idea that we will save if we buy now.



WHY WE BUY IMPULSIVELY

Better than average

We believe we are better than average in looks, in driving, in parenting, etc.





IMPULSE BUYING
INEVITABLY LEADS TO
BUYER'S REMORSE,
PARADOXICALLY BRINGING
UNHAPPINESS.

HOW TO AVOID IMPULSE BUYING

Plan your purchases

- Important to make a list before you go shopping
- Stick to your list
- Save for your purchases and shop around to find a better price
- Make a 30-day rule. When you feel the urge to buy something, wait for 30 days.



HOW TO AVOID IMPULSE BUYING

No window shopping

- Don't go to the mall unless a specific purpose
- Avoid window shopping for entertainment
- Find alternate ways for free fun activities like visit museum or art gallery, park, movie at home, etc.



HOW TO

AVOID IMPULSE BUYING

Lean on friends

- Phone a friend to take your mind off shopping
- Picnic at the local park or play some board game



HOW TO

AVOID IMPULSE BUYING

Calculate value in hourly wage

- Calculate what's your hourly wage
- Divide the price of the item by your hourly wage
- Is it worth giving up that many hours for the item?



BEFORE YOU BUY, ASK QUESTIONS?

**URGENT
IMPORTANT**

BUY NOW

**NOT URGENT
IMPORTANT**

PLAN TO BUY LATER

**URGENT NOT
IMPORTANT**

BUY IF YOU CAN AFFORD

**NOT URGENT
NOT IMPORTANT**

DO NOT BUY

5

Let's go

CASHLESS

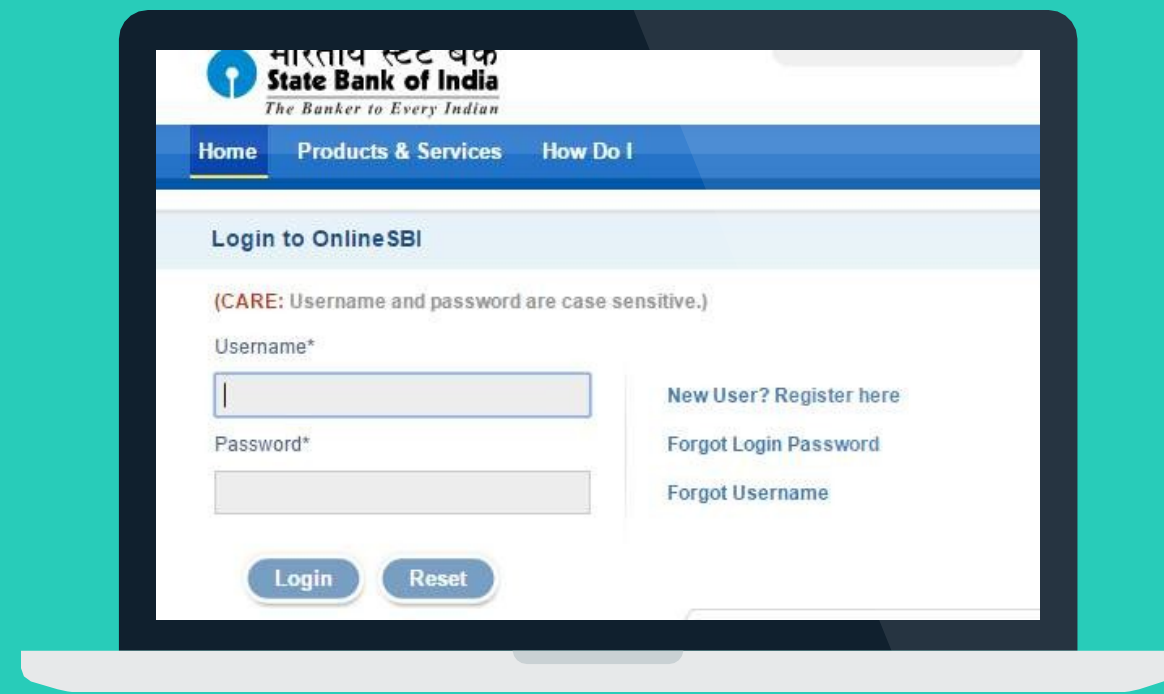


TRANSACTIONS WITHOUT CASH

IT'S POSSIBLE

DIGITAL PAYMENT METHODS

1. Internet Banking
2. Mobile Banking
3. Debit and Credit Cards
4. Mobile Wallets
5. Aadhaar Enabled Payment System (AEPS)
6. Unified Payment Interface (UPI)
7. Unstructured Supplementary Service Data (USSD)
8. Bharat Interface for Money (BHIM)



INTERNET BANKING

- NEFT (National Electronic Fund Transfer)
- RTGS (Real Time Gross Settlement)
- ECS (Electronic Clearing System)
- IMPS (Immediate Payment Service)



MOBILE BANKING

- Use of mobile apps for banking transaction

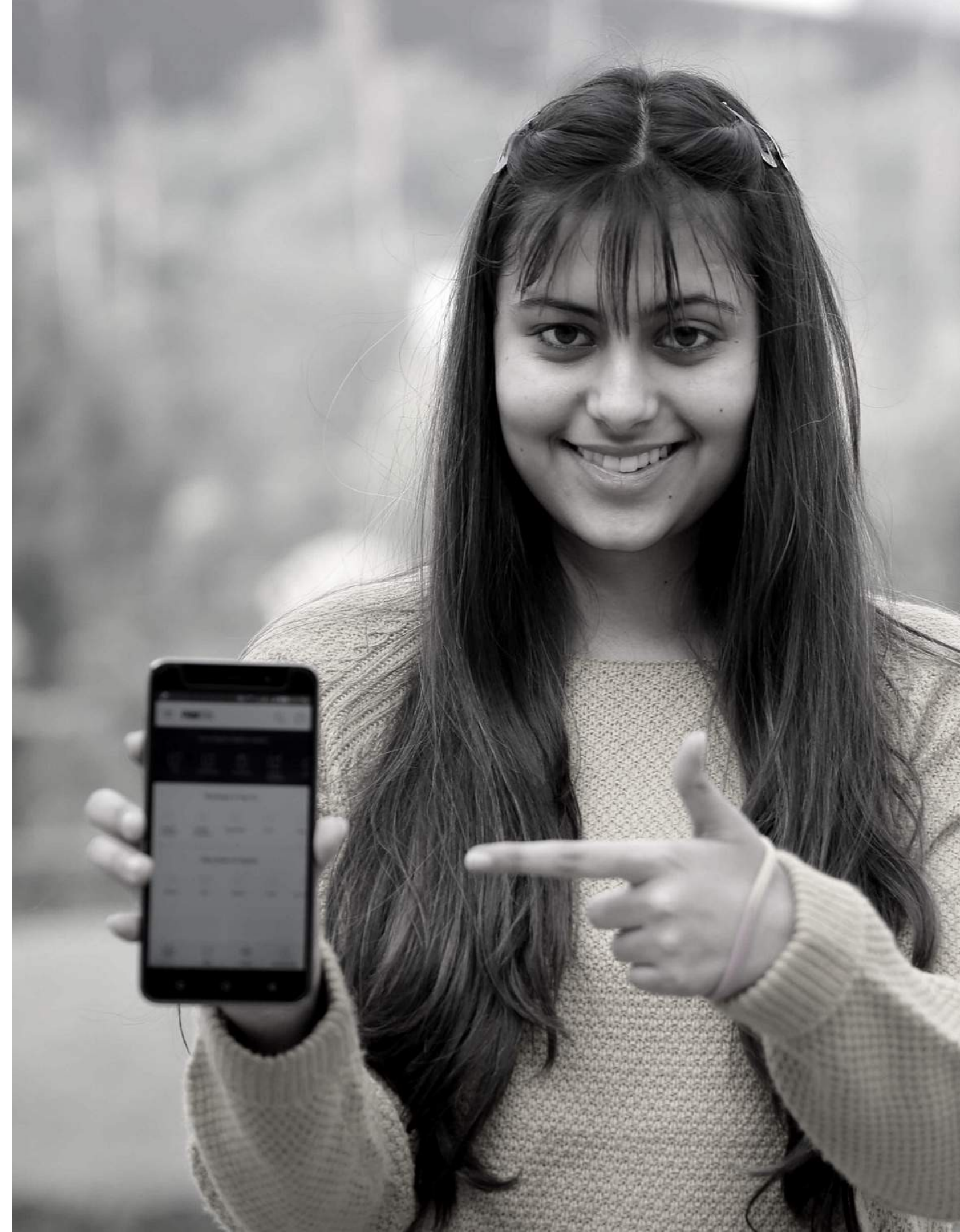


DEBIT AND CREDIT CARDS

- Visit nearest bank branch
- Provide KYC
- Apply for Debit/Credit Card Get a
- PIN
- Visit an ATM to activate PIN
- Use at ATMs, shop online, pay at shops

MOBILE WALLETS

- Electronic pre-paid payment system
- Need a bank account and smart phone with internet
- Download and install the app
- Load money using net banking or credit/debit card
- Consumer wallet limit - 2lakh (those who completed full KYC)
- Use for making payments
- Add, receive and send money



AADHAAR PAY

- Aadhaar should be linked with bank account
- Transaction through Bank Mitra at POS (Micro ATMs)
- Transaction without pin or password
- Aadhaar to Aadhaar fund transfer, balance inquiry, cash deposit and withdrawal
- Payment at shops
- Transaction cost zero for consumers



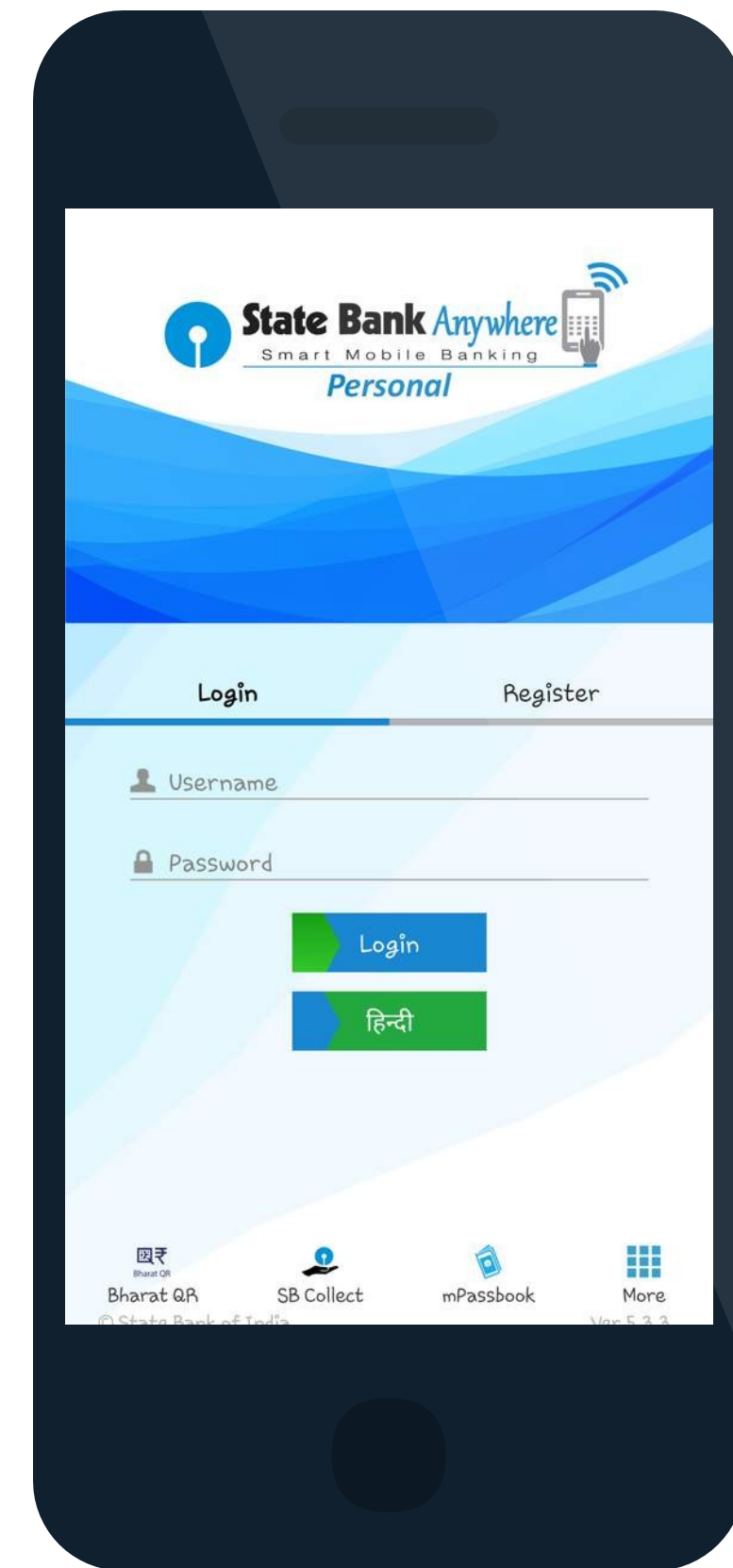
NO MORE STANDING IN QUEUE;

UNIFIED PAYMENTS INTERFACE (UPI)

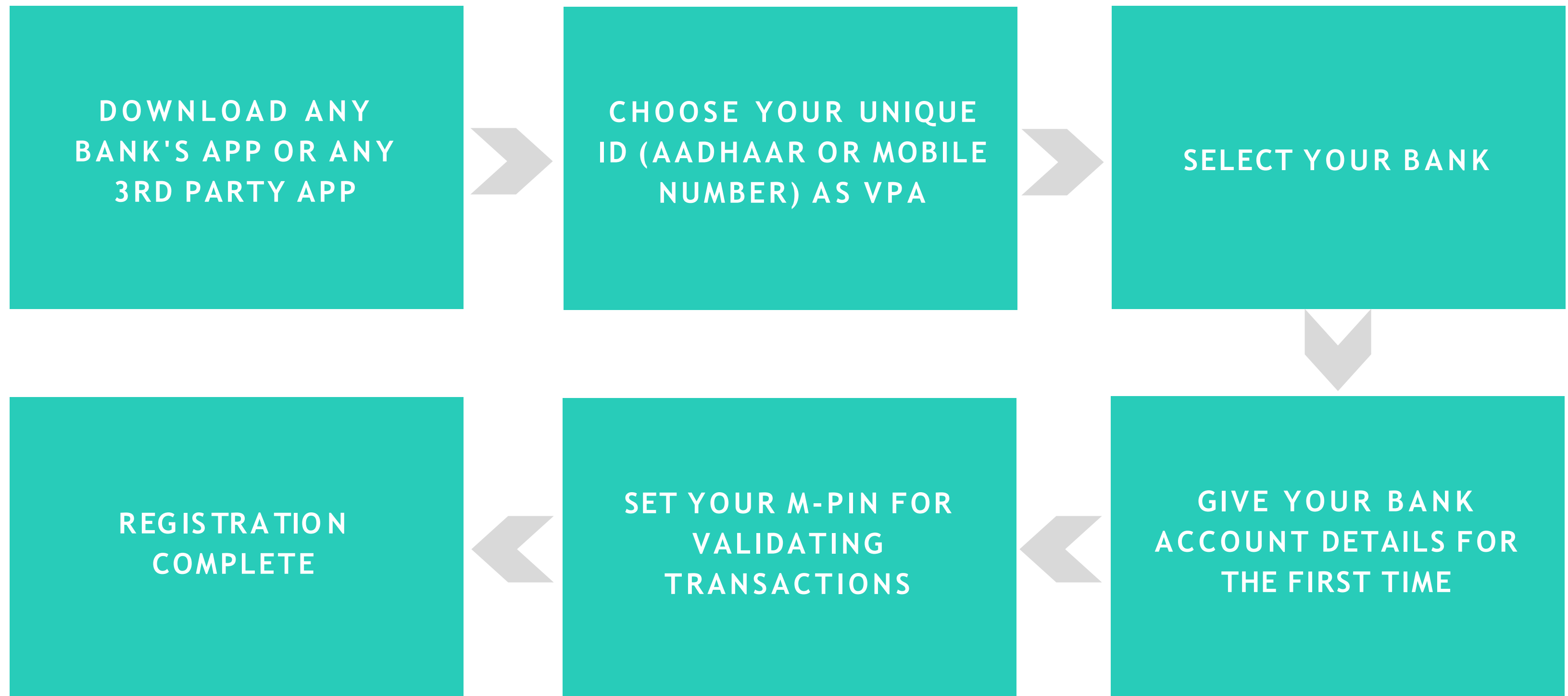


WHAT IS UPI?

- You need a smartphone with internet facility
- Mobile number must be linked with bank account
- Allows various types of financial transactions
- Send or receive money using VPA
- No need to remember banking information
- Interoperable



UPI REGISTRATION PROCESS



HOW TO SEND MONEY THROUGH UPI?

SELECT 'SEND MONEY'

ENTER PAYEE'S VPA

ENTER THE AMOUNT

WRITE TRANSACTION REMARKS

CONFIRM DETAILS

CLICK SEND



Why need cash when you can
have the bank in your mobile?

*99#

UNSTRUCTURED SUPPLEMENTARY
SERVICE DATA (USSD)

WHO NEEDS
A SMARTPHONE
WHEN YOU'RE
SMART?



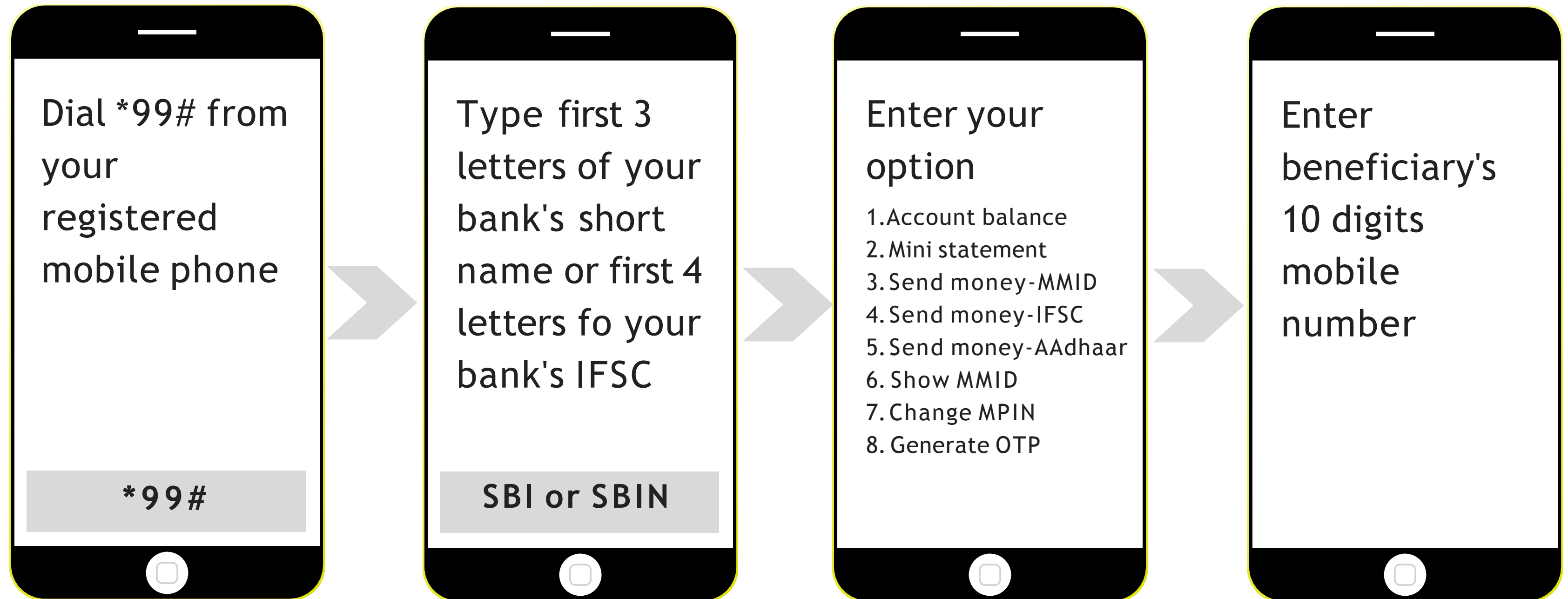
*99#

NATIONAL UNIFIED USSD PLATFORM (NUUP)

- Banking transactions using basic feature phone Mobile number should
- be linked with bank account Register for USSD and generate MMID
- and MPIN Payments upto Rs. 5000 per day
- Common across all telecom service providers Per transaction
- charge 50 paisa

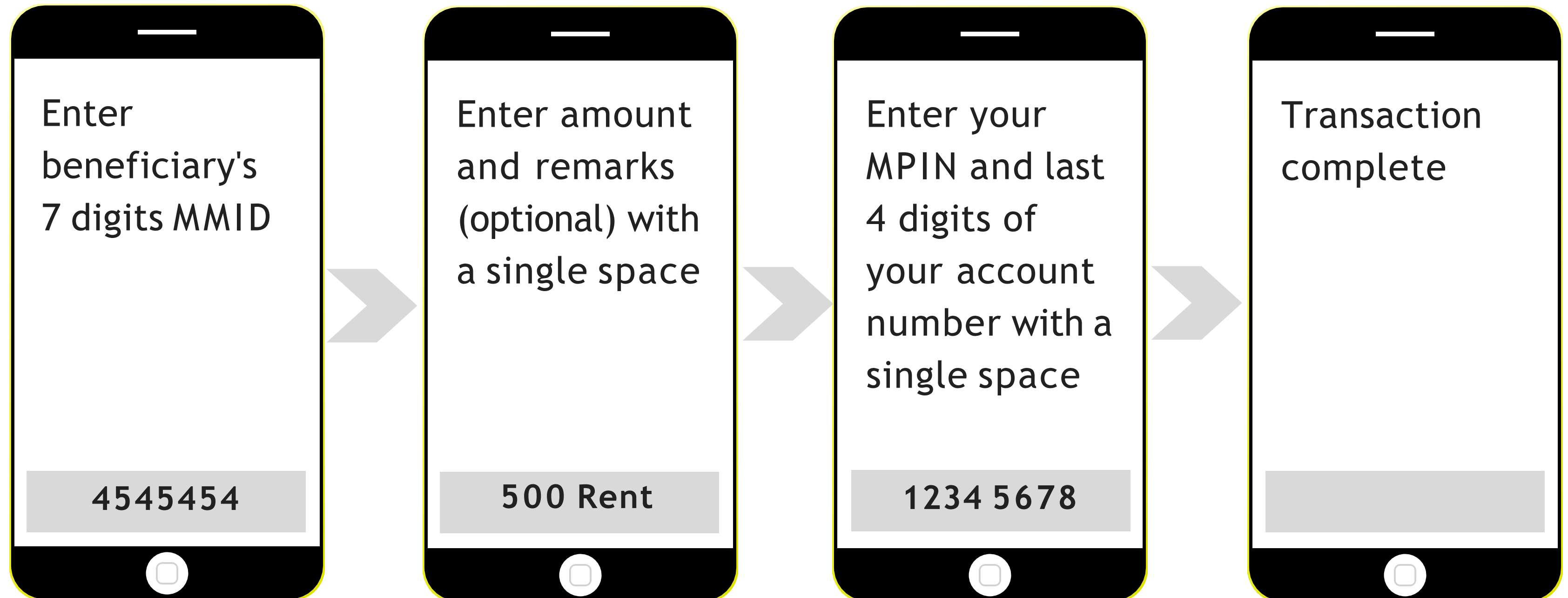
HOW TO

TRANSFER MONEY USING USSD



HOW TO

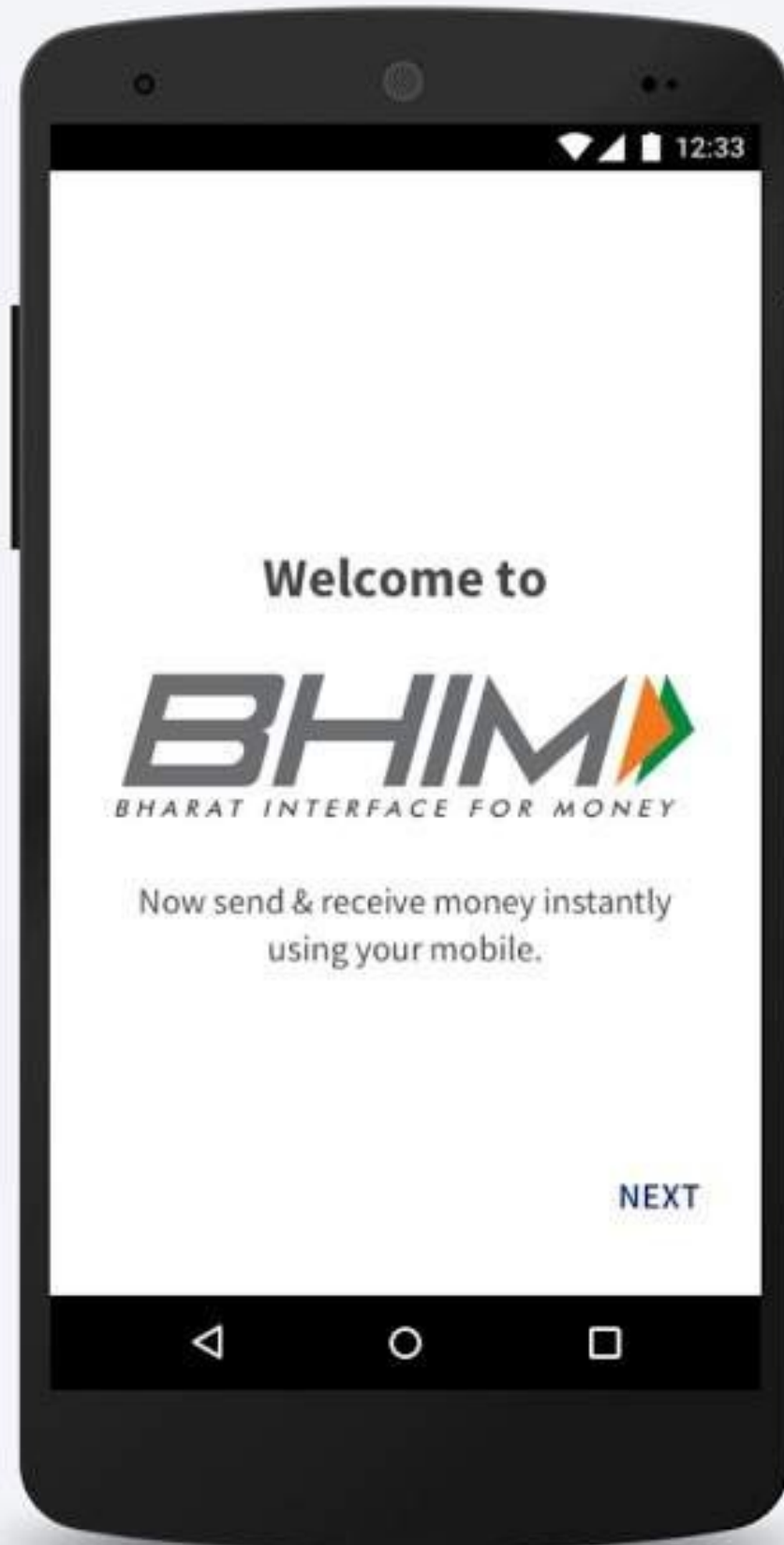
TRANSFER MONEY USING USSD



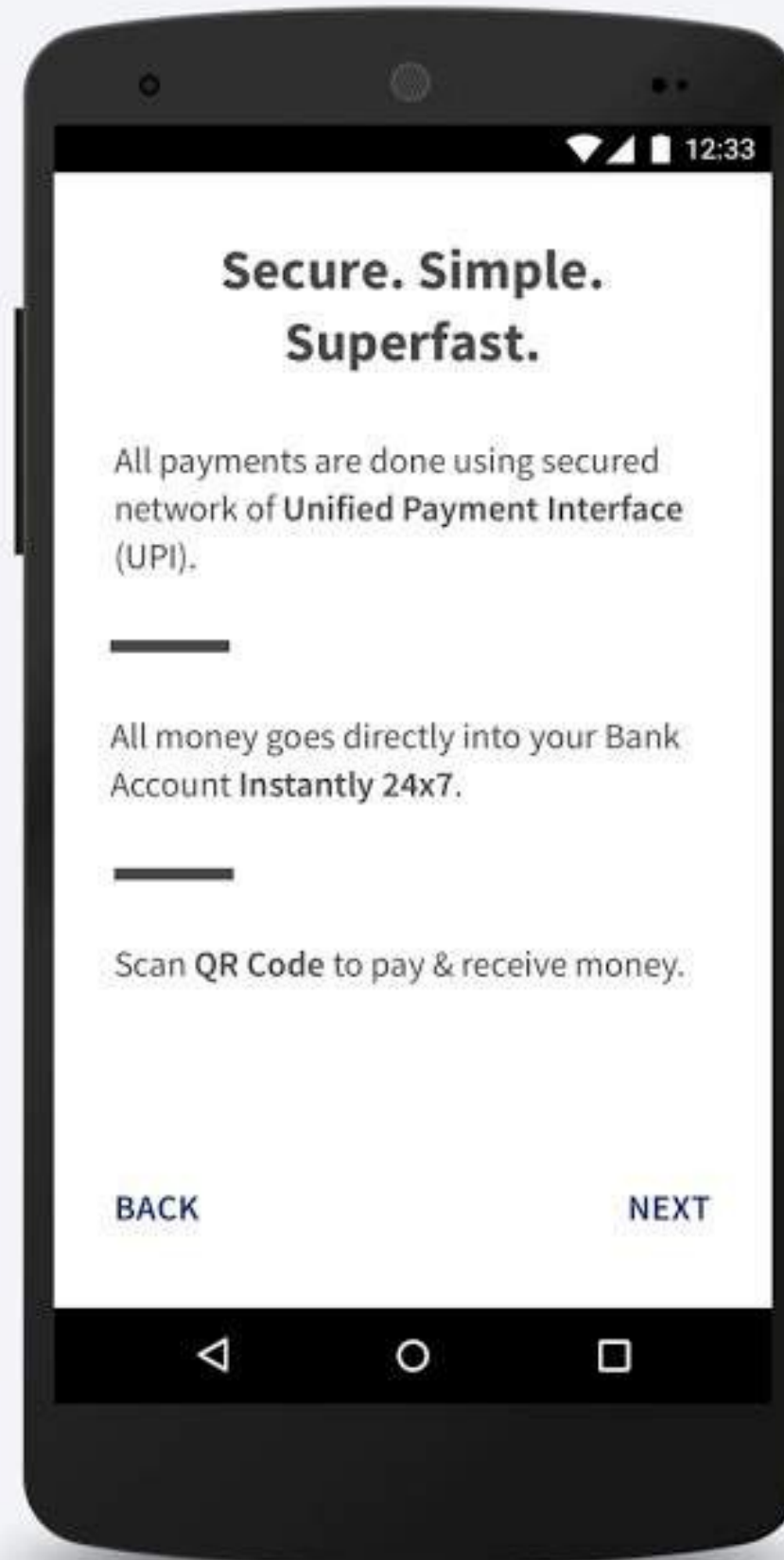


**BHIM IS AN APP THAT LETS
YOU MAKE EASY AND
QUICK PAYMENT
TRANSACTIONS USING UPI.**

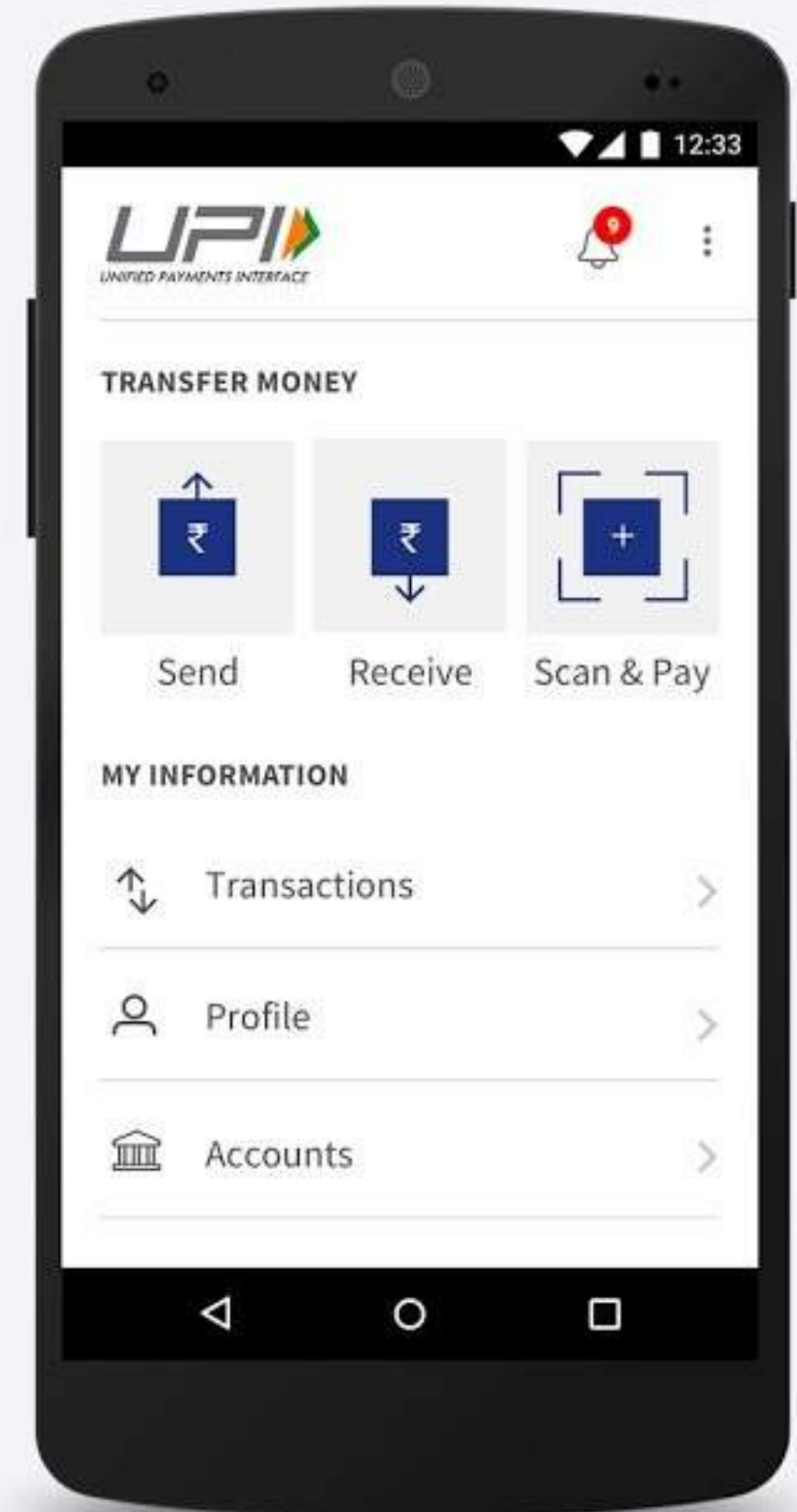
**GO
CASHLESS**



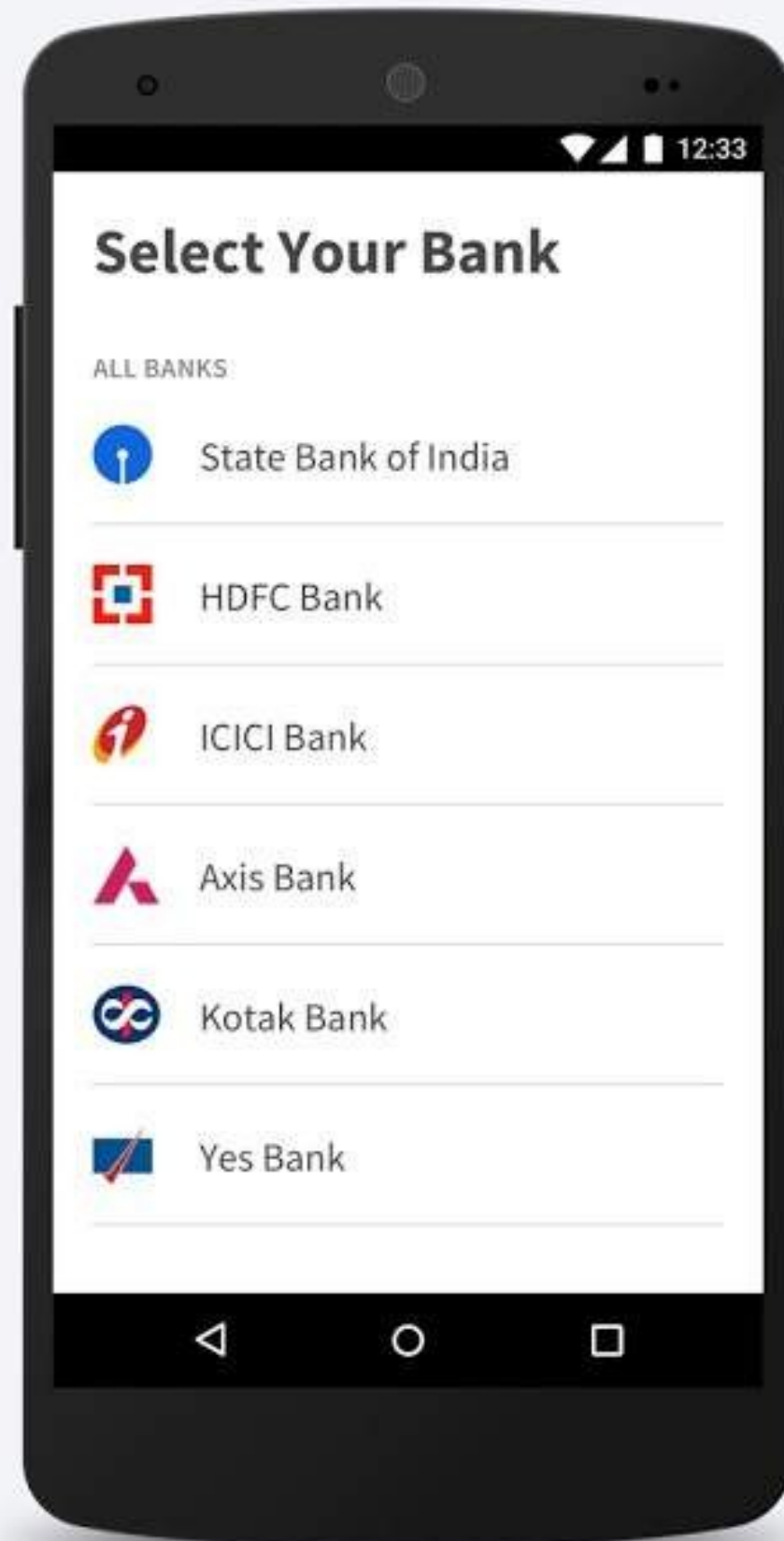
**SIMPLE, SECURE AND
FAST TRANSFERS**



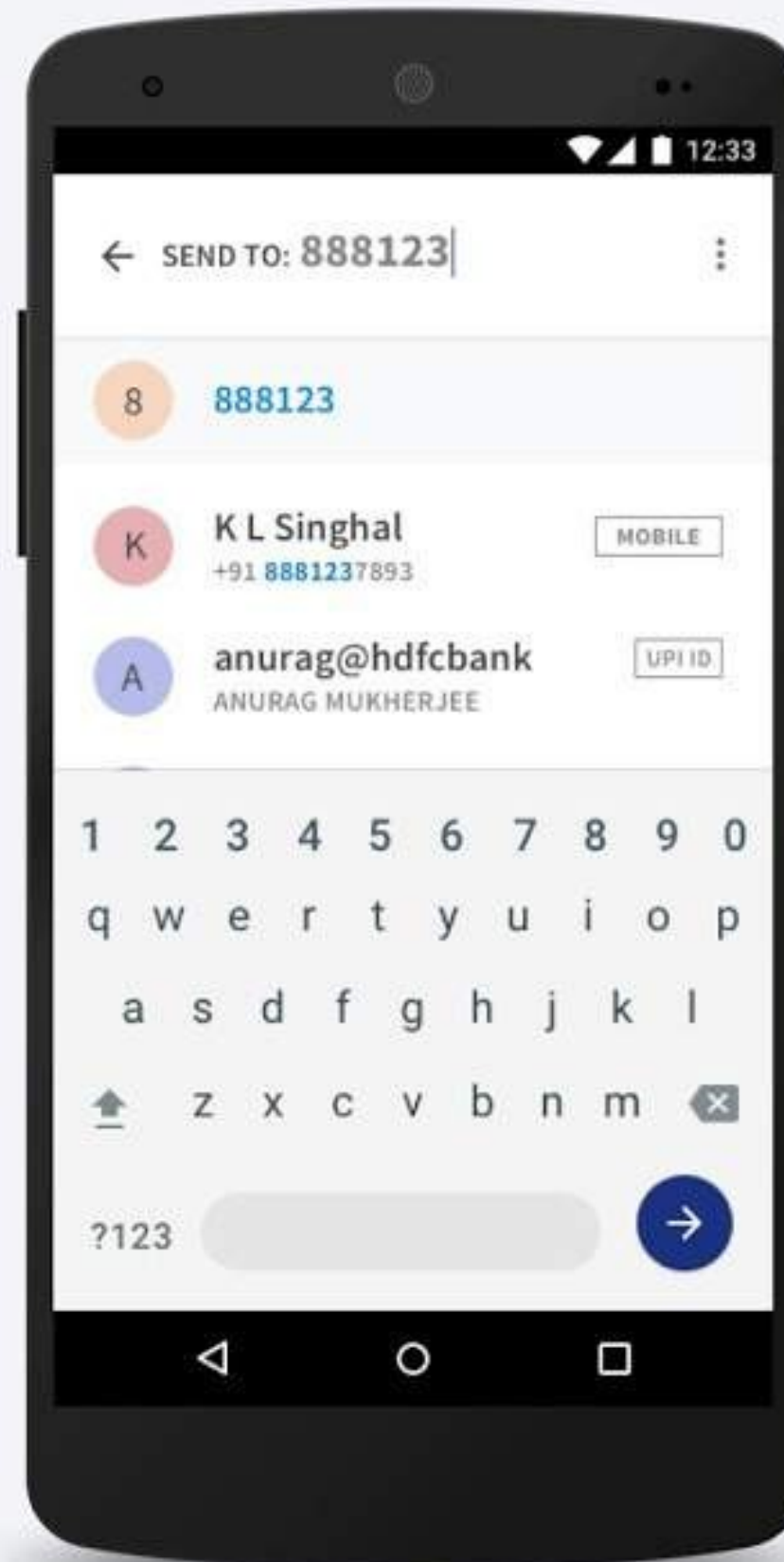
**SEND, RECEIVE AND
REQUEST MONEY**



ONE APP FOR ALL BANKS



SEND/RECEIVE TO MOBILE AND VPA



SCAN QR CODE TO PAY INSTANTLY



Bank to Bank transfer is available

Transfer money to another wallet only

BHIM App

Other Digital Wallet Apps

1

2

User can check Bank account balance

User can check Wallet balance

3

User directly connected to Bank

Need to load money from Bank to Wallet

4

Secured with UPI PIN

Secure with PIN or Password

5

Presently no charges for Bank Transfers

Transfer from Wallet to Bank is chargeable

6

Send money using VPA / Mobile No / Account No. & IFSC Code

Send money to another Wallet of same company only



Difference between BHIM app and other digital wallet apps

HOW TO

USE BHIM APP?

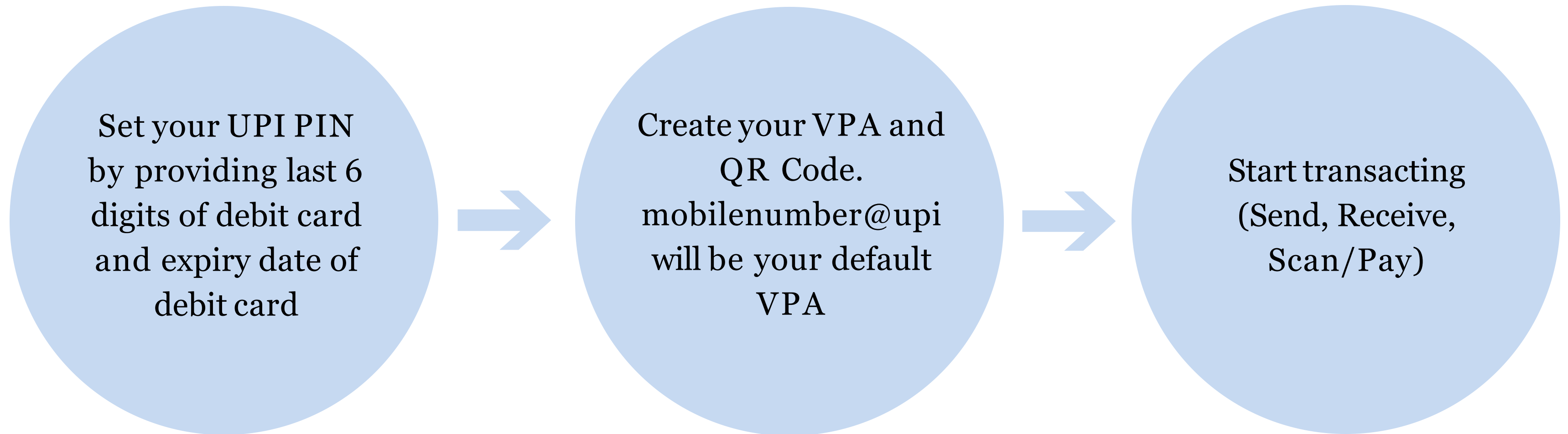


HOW TO USE BHIM APP?



HOW TO

USE BHIM APP?



6

Your first

PAY CHEQUE

CONGRATULATIONS!!

**LET'S TALK
ABOUT HOW
YOU MANAGE
YOUR MONEY**



WHETHER YOU WILL REACH YOUR LIFE GOALS?

will be determined by

How much you earn?

How you spend?

How you save?

Where you invest?

LIFE GOALS



Paying off your student loan
Starting your own business
Buying a car, your dream house
Going on a vacation
Your marriage, starting a family
Retirement, etc.



Emergency Savings Account

- Open an emergency savings bank account
- Emergencies are unpredictable
- Should cover at least 3 to 6 months of your expenses
- Set aside a small amount every month
- Only use in case of an emergency.
- Start rebuilding the fund immediately, if used



Employees Provident Fund

- Compulsory saving
- EPF enables you to enjoy your retirement
- 12% of your salary and a matching contribution from employer
- Contribution has tax benefits
- You can also open a PPF account



EPF CASE STUDY

AGE	25
MONTHLY BASIC SALARY	Rs. 10,000
YOUR CONTRIBUTION (%)	12
EMPLOYER'S CONTRIBUTION (%)	3.67
AVERAGE ANNUAL INCREMENT (%)	5
RETIREMENT AGE	60
AVERAGE EPF INTEREST RATE (%)	8

Approx. 78.5 lakh

LIFE & HEALTH INSURANCE

- insurance is a risk management tool
- Don't expect monetary returns and buy the wrong policy
- Never neglect health insurance
- Your age is a major factor in calculation of premium. Buy early.
- Carefully consider all options before buying.
- Buying these insurance has tax benefits



HOW MUCH

INSURANCE SHOULD YOU BUY?

- One size fits all - does not apply
- Life cover - At least 10 times your annual gross salary
- Health cover - 50% of your annual income plus last 3 years expense on health
- Important to increase cover amount based on your income, health condition and medical inflation



KEY POINTS

- Insurance is not investment
- Buy term life insurance
- Consider claim payout ratio before buying
- Buying online can save you some premium amount



**AROUND 2% RETIREES ARE TRULY
FINANCIALLY FREE**

WHERE DO YOU WANT TO BE?



A grayscale photograph of a hand holding a large, three-dimensional Indian Rupee symbol (₹) between the thumb and index finger. The hand is positioned on the left side of the frame, and the symbol is held vertically.

A PENSION SCHEME THAT COSTS LITTLE BUT DELIVERS MORE

With NPS,
enjoy the benefit of low cost
and power of compounding

NATIONAL PENSION SYSTEM



- Eligible for all Indians (including NRIs) Age group 18 to 60
- Portable unique PRAN
- Tax benefit u/s 80CCD upto 2 lakhs
- Flexible investment options include equity, corporate and government bonds

NPS ACCOUNT DETAILS

PARTICULARS	TIER I ACCOUNT	TIER II ACCOUNT
Eligibility	All Indians (age 18 to 70)	Members of Tier I
Min annual contribution	Rs. 1000 / -	NIL
Min amount per contribution	Rs. 500 / -	Rs. 250 / -
Liquidity	Conditional	Any time
Tax benefit	Up to 2 lakhs u/s 80CCD	No



Before 60 years

- Less than 2.5 lakh 100% withdrawn
- More than 2.5, Only 20% can be withdrawn; rest 80% to be used for buying an annuity for monthly pension.

After 60 years

- Less than 5 lakh 100% withdrawn
- More than 5 lakh, Can withdraw upto 60%; rest 40% to be used for buying an annuity for monthly pension.

In case of death

Nominee can withdraw all the money at one go or can continue with the scheme.

WITHDRAWAL/EXIT FROM NPS

Invest

₹50,000

in NPS

and get additional

tax benefits

NPS allows you additional tax deduction on saving of ₹50,000/-*, over and above the limit ₹1.50 Lakh# available under Section 80CCE of Income Tax Act, 1961.

So effectively, NPS subscribers can now claim up to ₹2.00 Lakh as tax deduction as against ₹1.50 Lakh earlier.



CASE STUDY

Age (in years)	25
Retirement age (in years)	60
Monthly investment in NPS (in Rupees)	5,000
Return (last 5 years avg % return in scheme C)	11%
Total corpus amount (in Rupees)	2,48,67,363
Amount for purchase of annuity at 40% (in Rupees)	99,46,946
Withdrawal on maturity at 60% (in Rupees)	1,49,20,417
Assumed annuity rate (in percentage)	8%
Monthly pension amount (in Rupees)	66,313

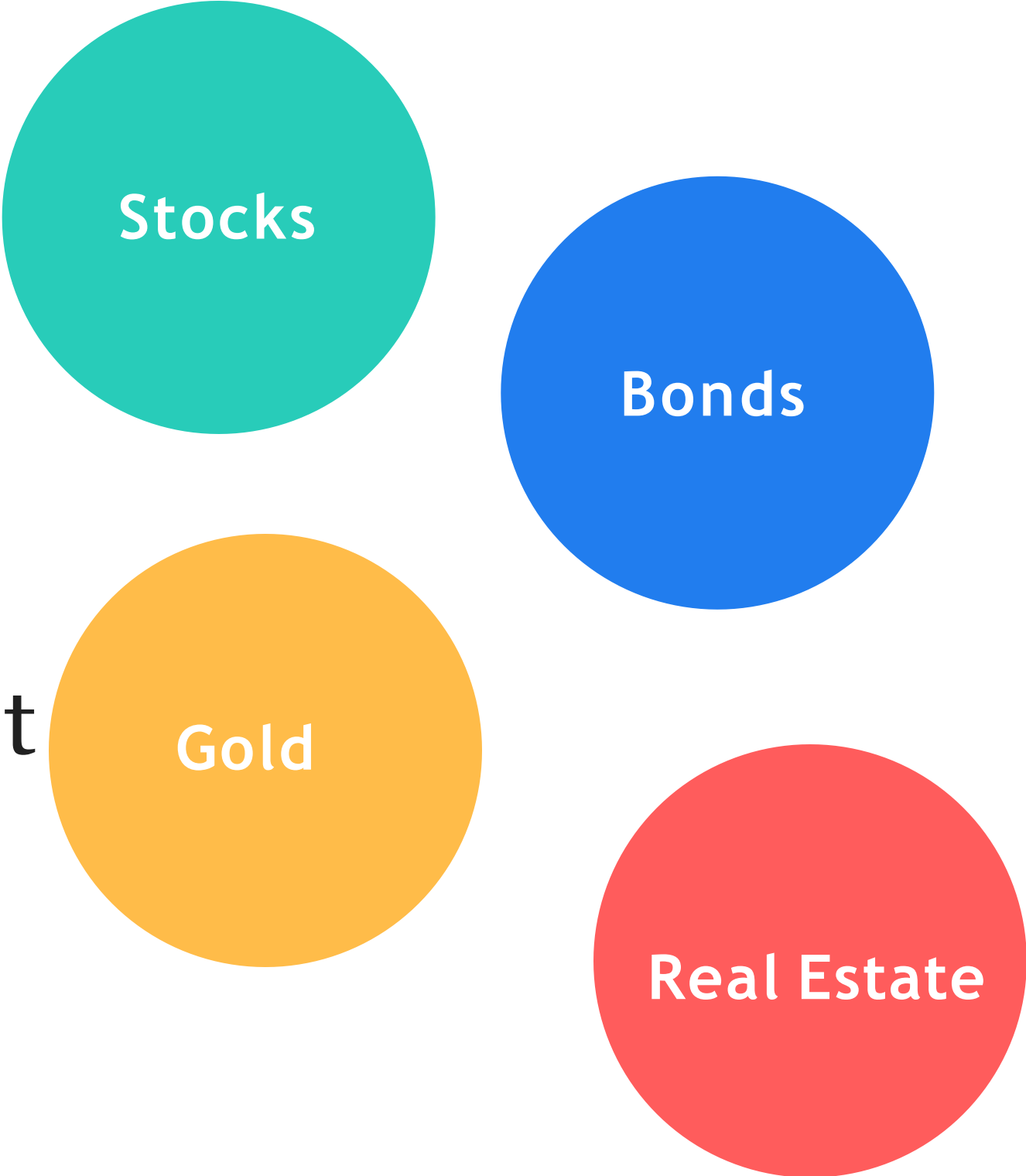
INVESTMENT IN MUTUAL FUNDS

Equity Linked Savings Scheme (ELSS)



MUTUAL FUND

is a convenient way
through which we can invest
in most type of assets.



Stocks

Bonds

Gold

Real Estate

BENEFITS

Professional expertise: Investing requires knowledge and skills

Convenient: With bank a/c and pan card you are ready to invest

Diversification: Manages risk by investing in different companies/assets

Low cost: Advantage of economies of scale

Transparent: Regulated by Securities and Exchange Board of India

Liquidity: Getting in and out with relative ease

Affordable: Minimum investment requirement is as low as Rs. 500/-

Long term growth: Potential for higher return that beats inflation

Tax benefit: ELSS are tax saving mutual funds

ELSS

Even out market volatility through SIP

**Minimum 65%
allocation to
equity**

**Tax saving upto
1.5 lakh u/ s
80C**

**Long term
wealth creation**

**Min investment
Rs. 500 and 3 yrs
lock-in**

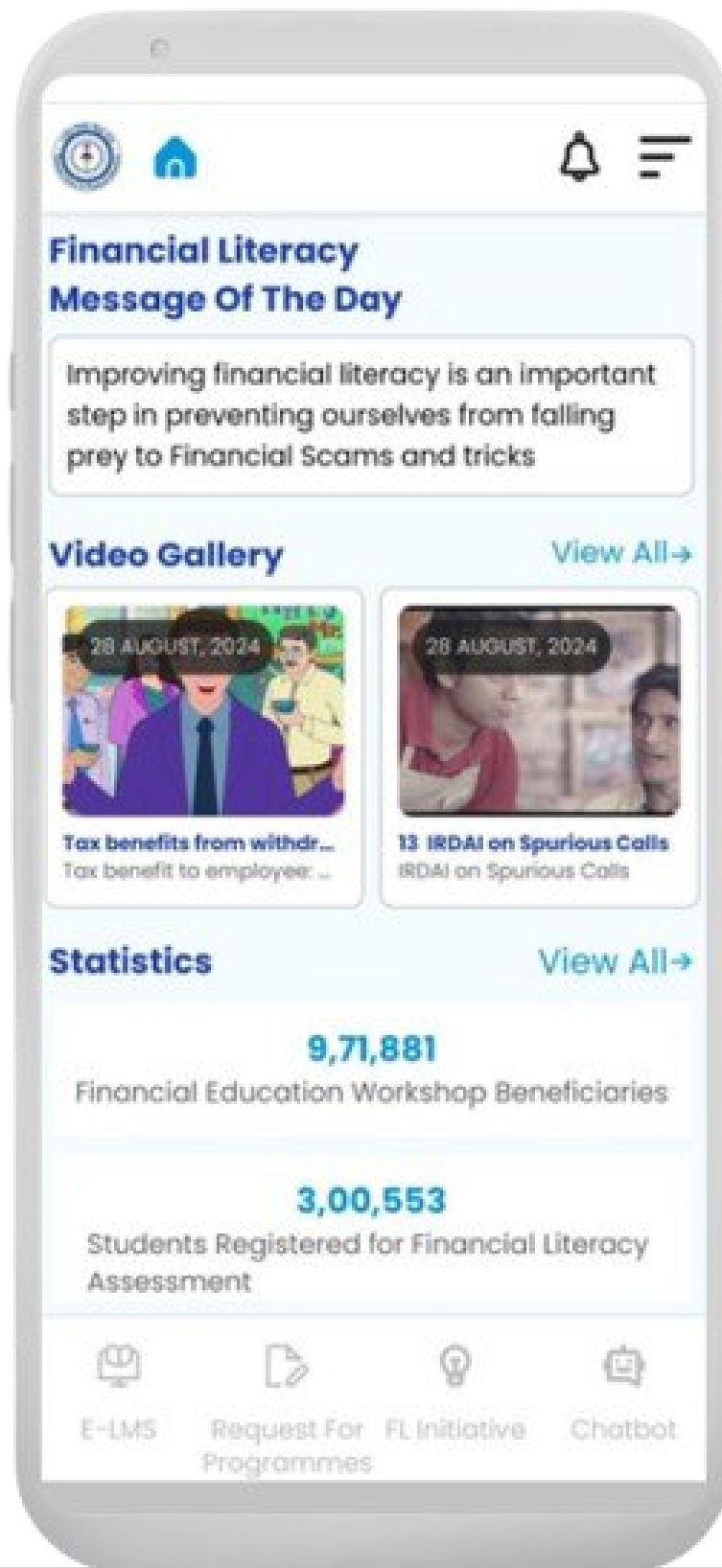
While you have much to look forward to,
your transition to post-college life...

...there is one key to reaching all your financial
and most of your life goals.

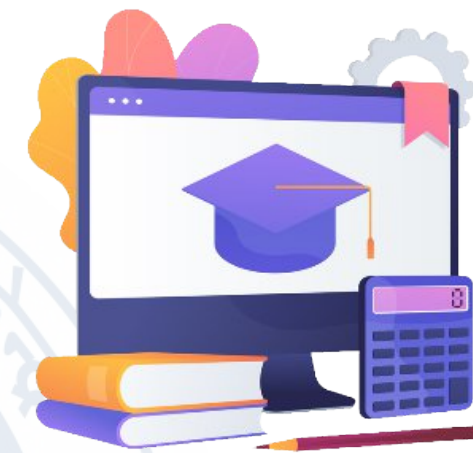


BUDGET

E – LMS & Financial Literacy Mobile App of NCFE



- Free E-Certificate after complementing the course.
- Anywhere anytime learning at own space.
- Mobile friendly, E-LMS course is available in FL Mobile App
- Use of audio visual for easy understanding.
- Link for sample video:
<https://ncfe.org.in/program/e-lms>



E-Learning Management System (E-LMS)

An Online Financial Education Course by NCFE



Promoted By :



NCFE has launched e-learning course on basic Financial education covering topics from Banking, Insurance, Securities Markets and Pension related products. The course is of 5 hours consisting 20 modules. The portal is open for registration and it is free of cost.

For Registration please visit "<https://ncfearthashiksha.in>".
and for any further queries write to us at elms@ncfe.org.in

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Skip to main content Saaṛṛṭhi SCORES (A)+ (A) (A)- A A

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ABOUT US PERSONAL FINANCE & INVESTMENT FINANCIAL CALCULATORS CHECK YOUR FINANCIAL HEALTH SPOT A SCAM RESOURCES

Learn to Manage Your Money For Financial Well-being

Money Matters : Lets Understand

This section will provide you understanding about money related matters

More

Investment : Avenue to Grow Your Money

This section will provide you an essential guide on investments and asset class

More

Securities Market Investment : Lets Learn

This section helps you to know about investment avenues available in securities market

More

Hi, I am SEVA

Topics of Interest

For more details visit: <https://investor.sebi.gov.in/>



The app can be downloaded on: <https://play.google.com/store/apps/details?id=com.sebi.invapp>

SEBI भारतीय प्रतिभूति और विनियम बोर्ड Securities and Exchange Board of India

NISM National Institute of Securities Markets A Capacity Building Initiative of SEBI

SEBI Investor Awareness Test

+91 8080806476 | certification@nism.ac.in



For more details, visit:
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Thank you.

let's create a financially aware and empowered india.

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