

## 08 / My Tips for Saving Household Expenses

<b>1.0</b>	<b>Introduction:</b>
1.1	Global Recession has become a Topic of discussion since September 2008. Now news about 'Rising Inflation and hike in Petrol prices' is the favorite breaking news.
1.2	Economists are analyzing the above situation and taking remedial steps to reduce the hardship to common man.
1.3	There is a saying in Marathi namely 'Antharun pahun pai passarawet.' It means 'we should live within our means.' This was the LIFE philosophy of earlier generation which is still being continued by certain segment of people. However younger generation has mostly rejected this philosophy of 'living within means' and are constantly trying to increase the 'means.'
1.4	<b>However now this is the time to go back to same Age Old LIFE Philosophy for Survival and Mental Peace.</b>
1.5	In the back ground of above discussion, I have outlined Few Tips under various categories which would enable every one to not only <b>Save Money</b> but it will also help to <b>improve the quality of LIFE</b> . One will reap many indirect benefits such as improving planning skills, understanding importance of co-operation, improvement in personal relationship, good health, mental peace and Happiness from Inside out etc.
1.6	You are aware that we spend money for 'Necessity, Comfort and Luxury.' However it is interesting to note that the terms are relative and the classification will vary from person to person. Necessity of one person may be Luxury of another person. <b>Hence it is necessary to always bear in mind the basic purpose of spending. These Tips should be read &amp; implemented in this context.</b>
1.7	One can draw Time limit for implementation of the various suggestions. I assure you that these are time tested suggestions based on my experience. I have also made an attempt to give justification of my suggestions.

1.8	I request all of you to suggest further Tips, your experiences in this regard by sending email to 'spandane2008@gmail.com.'
1.9	Your Life should be like a square meal. Your destination of 'Happiness' in Life will be your mind it self if you can manage to keep balance between your educational/occupational career, family, health and friendship.
1.10	<b>I hereby invite you to visit my web site 'www.spandane.com.'</b>

1.11	<b>Now I would give 'Road Map' for handling your tension arising from Inflation.</b>
i	Make detailed list of your Financial Investment and interest income as per format attached.
ii	Make Household Expenses budget based on your experience under various expense heads as per format attached. Compulsory investment for LIC/ PPF, Repayment of EMI should be considered as expenses.
iii	Estimate the Revised Level of Expenses after reviewing following Tips.
iv	Now arrive at the Gap between Revised expenses and Interest income.
v	Find out the ratio of Gap & Salary. Thus even if your salary is cut by 100 less the said %, you will not have problem for household expenses.
vi	Now what is the chance that salary will be cut to that extent?
1.12	<b>It is now interesting to note as to who is really worried about Inflation &amp; rising Petrol Prices?</b>
i	In terms of Financial Wealth, we classify population as Rich and Poor.
ii	Poor people may further be divided into Below Poverty Line and Above Poverty Line.
iii	Rich people may be further divided into 'Garbha Shrimant' (Rich from earlier generation) and 'Nav Shrimant'. (Present generation becoming rich due to higher education and taking up top level jobs in India or abroad.)
iv	Working Class may further be divided into Government employees and

	Private sector employees.
v	Poor people are as it is worried for their basic needs of Food, Shelter and Clothing even under growing economy.
vi	Government employees have job protection and no fear for even pay cut. In fact with every new Pay Commission, their salary shows handsome revision. These employees are also entitled for other 'Fringe benefits.' I need not elaborate on the point.
vii	Business Class has no need to worry for survival. I need not elaborate on the point.
viii	Thus this Inflation is causing worries mainly in the minds of Private sector employees who have mastered the Western Style of enjoying Life. Shopping, Travelling, Eating out, parties etc. has become synonymous as Happiness. Saving is outdated for this class. Credit Cards are used regularly. ➤ <b>This note has been prepared keeping this class in mind.</b>
1.13	<b>Best of Luck from Spandane.</b>

<b>2.0</b>	<b>Food:</b>
<b>2.1</b>	<b>Switch over from Buffalo milk to Cow milk.</b>
➤	Price difference is about Rs.5/- per liter. Moreover Cow's milk contains less Fat. Reduction in milk consumption / consuming milk with lower fats is beneficial for the body / heart as the age advances.
<b>2.2</b>	<b>Vegetables should be purchased from the main market.</b>
➤	You will notice price difference if you purchase from small vendor near to your residence and from the main market near the station. If you plan your menu for say next week, it is economical to purchase vegetables from main market even if conveyance is involved. Your beloved husband would also love to join you in this mission.
<b>2.3</b>	<b>Enjoy Fruit juice at home instead of taking fruit juice at hotel or purchasing tinned juice.</b>
➤	If you are fond of juice, then you can enjoy the same at residence and save good amount. Quality of juice will be definitely good avoiding ill effects of ice used by the hotel / restaurant.
<b>2.4</b>	<b>Visits to Hotels should be reduced.</b>
➤	There is a scope for reducing substantial amount if visits to hotels are even slightly reduced. Just think as to why we like to eat at hotel? Is it due to wrong notion of status / easy money / wife does not cook nicely? ☺
<b>2.5</b>	<b>Carry water bottle from residence instead of purchasing Mineral water bottle.</b>
➤	Once upon a time we all used to drink Tap water without any filter / Zero B etc at least in Mumbai. When ever we go out for picnic, malls, hotels, travel etc. we purchase mineral water @ Rs.12/- per liter. We can easily carry water bottle from home. Do you remember having seen special copper vessels for carrying water during journey used by earlier generation?
<b>2.6</b>	<b>Curd should be made at home.</b>
➤	Many people are fond of curd / buttermilk. In fact your digestion system becomes strong due to curd, Buttermilk. 100 grams of curd costs

	<p>approx.Rs.12/- and is hardly sufficient for 2 persons. It would be definitely economical to make curd at home.</p> <p>➤ No doubt it would call for discipline on the part of kitchen in charge.</p>
2.7	<b>Carry Tiffin.</b>
	<p>➤ In case you are taking Lunch in a hotel, then it is worthwhile to carry Tiffin from home. However if you have a good subsidized canteen facilities provided by your employer, then the suggestion may not hold good.</p>
2.8	<b>Purchase mass consumption items such as Rice, Wheat, Oil, Turdal, Sugar etc. from whole seller in bulk quantity for 3 months.</b>
	<p>➤ Substantial cost reduction but availability of storage space, lump sum amount for bulk purchases also needs to be considered. Just keep an eye on Schemes floated by Malls.</p>
2.9	<b>One can settle for slightly lower rate variety of food items.</b>
	<p>➤ Prior to 1971 rice, wheat and sugar was not available in grocery shop but had to be purchased from ration shop irrespective of quality and availability of money. The food grain situation has now improved and number of varieties is available. It is certainly possible to switch over to a slightly lower rate variety.</p>
2.10	<b>Avoid ready made food packets, tins etc.</b>
	<p>➤ There is a craze for ready made food packets, gravy packets and all advertisements promise hotel like food at home. The quality may be good and cost wise may compare favourably as compared to hotel rates. Are you aware that lot of preservatives added in such ready made food packets and tins are not good for health? Avoid such ready made food packets to save long term medical expenses.</p>
2.11	<b>Food Masala, Pickles if made at home will be much cheaper and tastier as compared to ready made Masala or Pickle.</b>
	<p>➤ Self explanatory. No comments are called for.</p>
2.12	<b>Avoid Cold drinks. Lemon drink can be easily made at home.</b>
	<p>➤ Young generation is very fond of cold drinks. PH factor of cold drinks is very high. You must have observed that number of young boys and girls visit</p>

	Dentist for some problem or the other. Believe me that this problem is due to consumption of cold drinks which is responsible for erosion of enamel on teeth. Lemons are fairly cheap as compared to cold drinks. Lemon is well known source of Vitamin 'C' which is anti-oxidant and useful for control of cold. Pickle made from Lemon skin helps to protect the heart.
2.13	<b>For a change, one can try 'Oats' for breakfast.</b>
➤	Have you tried 'Oats' for your breakfast, which is very much famous abroad? Oats Kheer is very tasty. (3-4 spoons of Oats and $\frac{3}{4}$ cup of water and $\frac{1}{4}$ cup of cow's milk and 2 spoons sugar should be boiled for 5 minutes) Sugar free tablet can be used instead of sugar. Oats contain lot of fiber, which is required for the body. It helps to reduce Weight, Cholesterol. 500 grams of Oats costs approx. Rs.75/-
2.14	<b>Switch over from Non-Veg. to Veg.</b>
➤	I hope non vegetarians will excuse me for making this bold suggestion. Let me share a secret with you. Our body is not best suited for non-veg digestion as we have additional small intestine which is missing in wild animals.
2.15	<b>Nice soup can be made of portions of vegetables thrown away in the kitchen.</b>
➤	We all consume junk food and our body is deprived of sufficient quantity of fibre. Generally we throw outside leaves of cabbage, roots of green vegetables /kothimbir, skin of bottle guard etc. These items can be stored in a fridge for a week. All these items can be boiled with water in a pressure cooker with say 2 potatoes, 2 tomatoes and one onion etc. and a nice soup can be prepared. Add pinch of salt and pepper. Just enjoy this soup and give your feedback.

<b>3.0</b>	<b>Conveyance, Travel:</b>
3.1	<b>Avoid / minimize use of own vehicle. Use Public Transport.</b>
➤	Do not use your vehicle for short distance to save petrol and botheration of

	searching parking slot. Instead it is advisable to walk down. Good exercise!!!
3.2	<b>Purchase daily BEST bus (In Mumbai) ticket or monthly Bus pass.</b>
➤	If you are likely to spend over Rs.20/- on bus fare in a day, it is beneficial to purchase bus ticket of Rs.20/- for a day. Quite economical!!!
3.3	<b>Purchase Quarterly Railway Pass instead of Monthly Railway Pass.</b>
➤	Quarterly Railway Pass cost works out to less than 3 times of Monthly Pass.
3.4	<b>Use share Rickshaw, Taxi etc.</b>
➤	You save money. Generally demand for Rickshaw, Taxi during peak hours is more than availability and hence Good social action!!!
3.5	<b>Use bicycle for short distance.</b>
➤	You save money. No botheration of parking slot. Good exercise!!!

<b>4.0</b>	<b>Entertainment etc.</b>
4.1	<b>Switch over from Cable connection to 'Tata Sky'. Cable connection is costlier as compared to 'Tata Sky'.</b>
➤	Cable reception is increasingly becoming poor. Cable charges vary from area to area. Receipt is not given. Service & entertainment tax collected is usually pocketed. Government is deprived of this revenue. Minimum package of Tata Sky is Rs.200/-pm. Quite economical!!!
4.2	<b>Avoid watching movie at Malls as rates are prohibitive. Instead advance booking can be done at normal single screen theatre.</b>
➤	It would easily cost Rs.1000/- if family of 4 wants to view movie at Mall. The cost would be less than 50 % if movie is watched at single screen theatre.
➤	If you are really addict of Films, then you can opt for 'Tata Sky-Showcase'. You also get Movie channel free with Tata Sky. Why you watch movie? For time pass? Whether movie gives any message? No hobbies? Lack of reading habit?
➤	One can join DVD Library. It costs Rs.200/-p.m. for 4 DVDs.

4.3	<b>In case you have a habit of purchasing books, then you can think of joining good Library.</b>
➤	You would save money. There is a limit as to how many books one can purchase and have space at home to store. Just think seriously your action of purchasing books. Is it a prestige issue or you love reading? There is a saying in Marathi namely 'Wachal tar Wachal' (Meaning- To live life fully one must read.)

5.0	<b>Education:</b>
5.1	<b>Avoid Tuitions / Coaching classes.</b>
➤	In old days, going to coaching class was like declaring to the world at large that you are an 'ordinary guy' in studies. Time has changed. Kids need support practically in every sphere of life. Handling personal chores independently has become an exception. Self study will generate confidence in his mind. Inform your Kids in clear terms that 'you won't mind paying handsome tuition fees to school, college but do not expect your parents to pay fancy donation to secure admission for engineering or medical.'
5.2	<b>To confirm that stationery is not wasted by your kids.</b>
➤	Education stationery has become very costly. Confirm that your kid does not waste the stationery, colour box etc. Clutch pencil can be used instead of normal pencil. Rough note book can be made from unused blank pages of previous year. Donate old school books of earlier year to needy students.
5.3	<b>Pocket money should be restricted.</b>
➤	I agree that it is a delicate issue and there are number of angles to this issue. However kindly answer few questions such as amount required for conveyance, eating out, emergency purchases, entertainment, mobile recharge etc. Amount should be fixed based on estimated expenses and not on pocket money received by his/her friend.

<b>6.0</b>	<b>Communication:</b>
6.1	<b>Avoid Telephone calls for Home delivery.</b>
➤	You will recall that earlier home delivery was not offered for all and sundry items. Home delivery is now available due to 'Buyer's market' and competition among the shop keepers. There is a tendency to keep ordering even ½ bread costing say Rs.6/- and spending Rs.1.20 on telephone call. Just take a close look at number of calls made for home delivery. This will also improve your planning skill which has equal role to play in office and residence.
6.2	<b>Depending on number of calls, one can choose MTNL Plan to reduce Telephone bill.</b>
➤	MTNL offers number of plans depending upon number of calls. One can study the number of calls over last 6 months and select the proper MTNL Plan. This will bring down telephone bill substantially. Refer back side of Telephone bill or MTNL web site.
6.3	<b>Triband connection should be taken instead of dial up connection.</b>
➤	Triband would cost Rs.599/-per month for unlimited download. Modem costs approx. Rs.1200/-. Phone will not remain engaged. However Triband connection may not be readily available due to exchange capacity constraint. Dial up connection costs Rs.24/- per hour for call charges plus Rs.6/- per hour for dial up connection.
6.4	<b>Mobile connection should be switched over from 'Post Paid to Pre Paid' and claim refund of security deposit.</b>
➤	One can save on monthly rentals approx. Rs.150/- pm and caller ID charges Rs.75/- pm. With Dolphin Rs.149/- card, one can get free incoming calls for life time ☺ years with half yearly recharge of minimum Rs.100/-.
➤	No need of security deposit. Trunk call and ISD calls can be made from Prepaid connection.
6.5	<b>Send SMS.</b>

➤	It is needless to say that sending SMS will cost less as compared to talking. Moreover the receiver will be relieved from attending call while busy in a meeting etc. Do not send SMS to participants of TV competition as such SMS are charged @ Rs.3-6/- per SMS.
6.6	<b>Family members should have common service provider such as Dolphin, Hutch etc. Group can be formed for communication.</b>
➤	This will reduce mobile expenses of the family.
6.7	<b>Disconnect Ring tones, news, cricket, astrology subscription.</b>
➤	What is the need of ring tone? It costs at least Rs.30/- p.m. plus extra charge for downloading a song. Many persons keep changing the song frequently. You hardly get any news on mobile. Most of us have internet connection even at office and latest news can be referred. Not to forget your wife, who keeps informing you the breaking news???
6.8	<b>Communicate via Email instead of post.</b>
➤	Paper cost of communication would be more than email cost. I agree that all are still not computer friendly.

7.0	<b>Personal care, Routine expenses, Shopping etc.:</b>
7.1	<b>Avoid going to Hair cutting saloon for shaving.</b>
➤	Don't you think that there is no necessity for visiting saloon for shaving? Apart from cost factor, time is also precious.
7.2	<b>Avoid Hair Dye.</b>
➤	Accept the fact that you have become old & your hair has become grey!! Hair dye is not only costly but also has side effects. You will agree that beauty of hair dye lasts for say 2-3 days. Thereafter your head shows mixture of white and black hair making things worst. Hair dye has side effects on your facial skin. In fact all white hair looks more charming. Just think!!!
7.3	<b>Use of cosmetics can be greatly reduced.</b>

➤	Cosmetics are not only costly but have side effects on your facial skin. In fact after applying coats of cosmetics, your original beauty is diluted. Many household tips are available for improving beauty such as milk cream, haldi, kakadi juice, multani mati etc.
7.4	<b>Avoid giving clothes for dry cleaning, ironing to Laundry.</b>
➤	Considering the quality of dry cleaning, it is better to wash clothes at home. It will not only save time and trouble for visiting laundry but also save handsome amount.
7.5	<b>You need not go to Gym for doing exercise. Resort to exercise at home. One can definitely resort to 'fast walking' irrespective of age.</b>
➤	Of late there is fashion to join Gym for toning up body /reducing weight on crash basis. Charges depend on kilos to be lost /reduced. Unless your job demands you to join the Gym, it is not at all necessary for a common man to join Gym and waste money. One can resort to Yoga & followed by brisk walking for healthy body.
7.6	<b>One can also think of saving water even if you are staying in a flat. (i.e. you are not paying water charges as per consumption.)</b>
➤	You are aware that water is scares. Watch out for water wasted for bath, used in the garden, washing hands in the wash basin. One can adjust the flow to avoid waste. Tap should be closed when we are rubbing the hands during the course of washing.
7.7	<b>You should pay telephone bills, Electricity bills, Pipe Gas bills by ECS and earn 1% discount. It is not out of place to consider saving of cheque book cost as Banks charge Rs.3/- per cheque and time to be spent for payment. MTNL bill is to be paid monthly in case Triband connection is used. Such bills are received just 2-3 days prior to due date. Late fee is quite substantial.</b>
➤	Self explanatory. No comments are called for.
7.8	<b>Mahanagar Gas (Pipe line Gas) pays interest @ 7 % on minimum deposit of Rs.1,000/- You will observe that average bill works out to Rs.150/- pm.</b>
➤	Self explanatory. No comments are called for.

7.9	<b>Pay bills, Society charges, School fees in time to avoid penalty.</b>
➤	Self explanatory. No comments are called for.
7.10	<b>Pay Credit Card bills in time.</b>
➤	Otherwise late fee of approx. 3 to 4 % pm is charged.
7.11	<b>Maintain minimum balance in SB account to avoid bank charges.</b>
➤	Self explanatory. No comments are called for.
7.12	<b>Kindly confirm that all newspapers, magazines subscribed are read by family members.</b>
➤	If not, discontinue the magazine, newspaper. One can join Library for magazines.
7.13	<b>Family members can distribute the household work and save servant's charges.</b>
➤	You will agree that it is difficult to get sincere and honest servant in metropolitan cities. Moreover there is a problem of adjusting his timing as in many cases both husband and wife are working. With the help of washing machine, clothes can be washed as per our convenience. Every one in the house can wash his own plate and some utensils. Rooms can also be cleaned in rotation. Major cleaning can be done during week end. This will save cost, mental agony for tolerating the servant and accepting the poor quality of work. This way of attending household cores on 'co-operative basis' will improve relationship among the family members, good lesson for kids to follow when they grow up. In Japan. School is cleaned by students and teachers. (Refer MT -07-12-2008)
7.14	<b>Household gadgets should be repaired and used.</b>
➤	You must have observed that there is tendency of not using the gadgets properly/not servicing. Periodically manufacturers keep introducing new models and heavy dose of advertising induces the customers to throw /exchange old gadget and purchase new one. Let me share my personal experience, no exaggeration. I have been using Refrigerator for last 25 years. TV for 12 years, Washing machine for 15 years, Inframatic for 23 years.

7.15	<b>New purchase should pass through well defined tests such as whether you have managed without this equipment? Whether your existing equipment is beyond repairs? What is the maintenance cost? Whether you have proper place to keep the said equipment? Whether it will reduce your time, cost?</b>
➤	Self explanatory. No comments are called for.
7.16	<b>Similar criteria's should be used while doing other shopping, new clothes?</b>
➤	Self explanatory. No comments are called for.
7.17	<b>Shoe polish can be done at home as it costs approx. Rs.10/-.</b>
➤	Self explanatory. No comments are called for. Good exercise for arms!!!

<b>8.0</b>	<b>Habits:</b>
8.1	<b>Habits such as 'Smoking, tobacco chewing, Pan Masala, excessive consumption of tea, coffee, drinks etc. should be discontinued.</b>
➤	Save money and health.
➤	Do you remember the advertisement issued by LIC few years back? It stated that if you eat one pan less during the day, you would accumulate premium for a handsome LIC Policy.
8.2	<b>If your home atmosphere and culture permits, then one can even take drinks while enjoying home comforts. This will bring automatic control on consumption, save your body from eating junk food apart from saving sizable amount. Give a thought to this suggestion!!!</b>
➤	Self explanatory. No comments are called for.

<b>9.0</b>	<b>Save on Electricity bills:</b>
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<b>Appeal to Save Electricity Consumption.</b>	
	<b>Electricity Saved is Electricity Generated.</b>
1	We are aware that Maharashtra is facing acute shortage of electricity. Entire Maharashtra except Mumbai is facing Load shading ranging between 3 to 14 hours.
2	'Mumbaikars' are given special treatment as Mumbai is Financial Capital of the Nation.
3	It is always easy to criticize and find fault with others. It is easy to say as to what the Government has done to solve the problem? It's time also to reply as to what we have done for this problem?
4	Why we need Actors & Singers for making appeal on TV, Press to save electricity?
5	Let us Act positively by implementing the following tips for saving electricity consumption. <b>Electricity Saved is Electricity Generated.</b>
6	Kindly circulate this Appeal & Tips to your friends, colleagues & relatives.
7	Kindly update this document with new tips.
8	Let us implement the Tips in Residence & Office. We may not have control on Tips for public places but those who are responsible for this assignment can make use of the said tips.
9	This compilation has been prepared to create awareness about necessity of reducing electricity consumption.
10	Source: Reliance energy bill, Tips published in Press, Discussion with colleagues, friends and family members. neighbours etc.

<b>A</b>	<b>Usage &amp; Electricity consumption:</b>
1	40-Watt bulb used for 25 hours would consume 1 unit. CFL bulb of 10 Watt is used for 100 hours would consume 1 unit.

2	Use of 50-Watt Fan instead of 75 Watt would save one unit per day.					
3	Appliance usage guide:					
	<b>Appliance</b>	<b>Capacity</b>	<b>Consumption Units Per hour</b>	<b>Appliance</b>	<b>Capacity</b>	<b>Consumption Units Per hour</b>
	Bulb/Tube	40 W	0.04	Refrigerator	265 Litres	0.10
	Fan 48"	60 W	0.06	Geyser	3000 W	3.00
	TV	20"	0.15	AC	1.5 Ton	2.00

<b>B</b>	<b>Residence &amp; Office:</b>
1	Switch off the fan and lights when you move out of the room.
2	Use solar energy whenever possible. e.g. solar cooker, lights etc.
3	Switch off the AC half an hour before you intend to leave the residence/ Office
4	AC Temperature should be set at 25-26 degrees.
5	Use CFL lamp instead of regular tube light /bulb.
6	Purchase electrical equipment/ gadget, which are more efficient and consumes less power. Read Energy Label.
7	Read the instructions carefully before using new electrical equipment/gadget.
8	Use Dimmer for controlling light.
9	Use electronic fan regulator instead of regular fan regulator.
10	Use electronic choke instead of regular magnetic chock.
11	Do not switch off AC on & off. It would consume more power.
12	Clean the tube lights & bulbs regularly.
13	Use Sodium vapor lamp instead of mercury vapor lamp.
14	Avoid use of lift for climbing 2-3 floors. (Good exercise for the body)
15	Use Washing machine dryer in such a way that clothes are left little wet which will keep the room cool.
16	Housing societies / establishments should be requested to use solar energy

	equipment to take care of street lighting in the society compound etc.
17	Switch off the computer monitor when not in use.
18	Fans if in use can be kept on medium speed.
19	TV should be given rest. In other words, reduce TV viewing.
20	TV should be switched off from main line instead of by using Remote.
21	Electric Rod should not be used for heating water for bath. Geyser should be installed.
22	It is better still if we take bath with lukewarm water. Cold bath can also be tried as it improves blood circulation which is good for the body.
23	Electrical gadgets such as Oven, Toaster etc. should be used sparingly.
24	It is suggested that we should use Pipe Gas instead of using electricity. E.g. For heating food, making toasts, heating water for bath etc. Pipe Gas is cost effective as well as available in abundance.

<b>C</b>	<b>Commercial Establishments / Offices / Show Rooms etc.:</b>
1	Following tips should be considered in addition to above tips.
2	Switch off the lights during lunchtime.
3	Now days, 4 -5 lights are controlled by one switch. Hence if you switch off one button, it creates black out in certain area. It is suggested to remove the alternate bulbs/tube lights to reduce electricity consumption.
4	Few bulbs of low voltage can be used.
5	1 or 2 ACs can be switched off alternatively.
6	It is necessary to ensure that printer is loaded with paper before taking computer print out.
7	It is observed that generally all TV sets are on in a TV shop. If this situation is avoided, 75 units of electricity will be saved per day per TV set.
8	There is a scope for saving power consumption in Jeweller's shop/showroom/mall.
9	Neon sign name board should not be used.

<b>D</b>	<b>Public Places:</b>
1	Switch off fans and lights while getting down from train.
2	Switch off the fans, lights between 1 am to 5 am on railway station.
3	Switch off streetlights according to sunrise timings.
4	Switch on the lights according to sun set timing.
5	Lighting of Heritage buildings through out night should be discontinued.
6	Power should not be provided to cable operators for say 2 hours in a day.
7	Neon signs should be switched off.
8	Extra Lighting of theaters, clubs, malls etc. should be banned.
9	Last show of movie, entertainment programme and play may be cancelled.
10	Electricity should not be provided for social functions held in open.
11	Alternate streetlights can be switched off.
12	Day night cricket matches and other night sports should not be conducted.

<b>10.0</b>	<b>Overview of Financial Investment Planning.</b>
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<b>A</b>	<b>Introduction:</b>
1.1	The word investment has a very wide/ macro meaning. We have to make investment in various categories for leading a Happy Life. At present I wish to concentrate on Financial investment.
1.2	Financial investment is call of the day.
1.3	The topic is very complicated but I will try to simplify the same for you.
1.4	We must first understand the difference between Saving & Investment.
1.5	Saving is the starting point. Investment is made out of saving. Purpose / intention of Saving & Investment are slightly different.
1.6	You can look at Saving from two angles as outlined below.
	➤ Income Less Expenses = Saving
	➤ Income Less Saving = Expenses.
1.7	Saving can be increased by earning more income or by reducing excessive and

	unwarranted expenses or by combination of both methods.
1.8	Saving is a Habit and it needs to be Cultivated.

<b>B</b>	<b>Why we should save money?</b>
❖	We should save money according to our capacity for following reasons.
2.1	For Investment for future/ old age.
2.2	To take care of short term needs. E.g. Festival expenses, periodic expenses such as education expenses etc.
2.3	To meet unexpected expenses such as medical expenses.
2.4	To purchase / replace household requirements such as kitchen utensils which would save our energy / entertainment articles such as TV, Radio, Transistor/utility articles such as fan, furniture etc.
2.5	To keep certain portion of saving to meet emergencies.

<b>C</b>	<b>Which factors should be considered while making Financial Investment?</b>
3.1	Safety of Investment should be the prime consideration. Investment should not be lost.
3.2	Liquidity: Investment should be easily available in case of need.
3.3	Returns: Investment should not remain idle but should also earn reasonable income.
3.4	Spread: Investment should be made in different forms to minimize risk.
3.5	Purpose: Investment should be made according to purpose.

<b>D</b>	<b>Types of Investment:</b>
4.1	Investment can be made in Immovable property or in movable property.
4.2	Immovable Property: Agricultural land, Farm house, Bungalow, Flat etc.
4.2	Movable Property: Gold, Bank deposits, Postal schemes, RBI Bonds, Shares etc.

<b>E</b>	<b>Security should meet the following criteria: (MASTDAY)</b>	
5.1	M	Marketability.
5.2	A	Easy to ascertain its title, value, quantity and quality.
5.3	S	Stability of value.
5.4	T	Transferability of title.
5.5	D	Durability - not perishable.
5.6	A	Absence of contingent liability. i.e. You may not have to spend more money on the security to make it marketable or even to maintain it.
5.7	Y	Yield. The security should provide some on-going income.

<b>F</b>	<b>Risks associated with holding Financial Investment:</b>	
6.1	Physical risks such as Fire, flood loss, theft etc.	
6.2	Inflation. Decrease in purchasing power of money. Our income does not grow in same proportion as increase in inflation rate.	
6.3	Remedies to overcome physical risks: Household insurance, Mediclaim policy, Personal accident policy, hiring of safe deposit locker to keep investment.	

<b>G</b>	<b>What precautions should be taken in respect of Investment?</b>	
7.1	Investment should be made in joint name.	
7.2	Investment should be payable to either or survivor.	
7.3	Nomination facility should be availed of.	
7.4	Proper record of investment held should be kept.	
7.5	Your spouse should be aware of all your investment matter.	
7.6	Excessive faith should not be kept on relatives, friends.	
7.7	Necessary secrecy should be kept. The investment matters should not be discussed with strangers.	

<b>H</b>	<b>Investment in Macro Terminology:</b>				
	To lead a Happy Life, we should not only invest in financial security but also in the following:				
8.1	Education	8.5	Positive Attitude	8.9	
8.2	Health	8.6		8.10	
8.3	Family	8.7		8.11	
8.4	Good Friends	8.8		8.12	

<b>Investment &amp; Interest Income</b>
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Type	Face value Rs.	Due date	Interest %	Interest p.a.	
				Received	Accrued
Fixed Deposits					
RBI Bonds					
NSC					
PPF				0	
LIC				0	
PF				0	
<b>Total</b>					

<b>Household Expenses</b>
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<b>A</b>	<b>Savings:</b>	<b>Rs.</b>	<b>B</b>	<b>Repayment of:</b>	<b>Rs.</b>
1	PF		1	Housing Loan	
2	LIC		2	PF Loan	
3	PPF		3	Bank Loan	
4	NSC		4	Vehicle Loan	
5	ULIP		5	Personal Loan	
6	Recurring Deposits		6		
7			7		
8			8		
9			9		
	<b>Total</b>			<b>Total</b>	

<b>C</b>	<b>Household Expenses:</b>	<b>Rs.</b>	<b>D</b>	<b>Other General Expenses:</b>	<b>Rs.</b>
1	Rent / Society charges		1	Telephone	
2	Food & Provisions		2	Internet Charges	
3	Vegetables		3	Mobile expenses	
4	Meat & Fish		4	Electricity	
5	Milk		5	General insurance premium	
6	Fruits		6	Wages & Salaries of servants	
7	Gas / Fuel		7	Dress, clothes, Tailoring charges	
8			8	Laundry	
9			9	Postage	
10			10	Newspapers, Periodicals	
11			11	Cosmetics & allied items	
12			12	Special shopping	
	<b>Total</b>			<b>Total</b>	

<b>E</b>	<b>Education:</b>	<b>Rs.</b>	<b>F</b>	<b>Other Expenses:</b>	<b>Rs.</b>
1	School / College Fees		1	Medical expenses	
2	Books & Note books, stationery		2	Conveyance	
3	Pocket money		3	Vehicle expenses	
4	School Bus fees		4	Travelling	
5	Tuition fee		5	Club expenses	
6	Wages of servants		6	Eating out	
7	Miscellaneous		7	Entertainment	
8			8	Charity	
9			9	Repairs of gadgets, appliances.	
10			10	Contingencies	
11			11		
12			12		
	<b>Total</b>			<b>Total</b>	

	<b>Summary</b>	<b>Rs.</b>
A	Savings	
B	Repayment of Loan	
C	Household Expenses	
D	Other General Expenses	
E	Education	
F	Other Expenses	
	<b>Total</b>	

Wednesday, July 21, 2010

