

"A man is
great by
deeds, not by
birth"

-Chanakya

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INDIAN INSTITUTE OF MANAGEMENT KOZHIKODE



Case Study

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**Free Rental Accommodation: The Art of
Balancing Cash Inflows and Outflows**

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Free Rental Accommodation: The Art of Balancing Cash Inflows and Outflows

Abstract:

The case underlines the importance of analysing net cash flow in maximizing returns. By examining the example of the old and new tax regimes, it highlights how a comprehensive analysis of cash flow can help individuals make informed decisions about their investments. The case also demonstrates how individuals can obtain free accommodation by paying the optimal rent where the net cash outflow is zero. It calculates the net cash flow associated with various rental payments, considering tax considerations, thereby enabling readers to make informed decisions. The case concludes by calculating the rental payments of two protagonists, Suresh and Prakash, who avail of free rental accommodation under the old tax regime. Through their example, readers can understand the value of careful analysis and planning when managing finances. Overall, the case underscores the importance of net cash flow analysis in personal finance. By providing concrete examples and calculations, the case helps readers appreciate the importance of a detailed understanding of the financial implications of different financial decisions. Its focus on practical considerations such as tax demonstrates how individuals can optimise their cash flows to achieve their financial goals. Whether one is a seasoned investor or a novice, this case offers valuable insights into the key principles of sound financial management.

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