



# Delhi Public School, Howrah

PERIODIC TEST I - (2024-2025)

Class-XII

Care must be taken not to write anything on the question paper. All the questions must be attempted in the correct sequence.

**SUBJECT: FINANCIAL MARKETS MANAGEMENT (CODE-805)**

**Time Allowed: - 3 Hours**

**Maximum Marks - 60**

### General Instructions:

- (i) Please read the instructions carefully.
- (ii) This Question Paper consists of **24 questions** in two sections- Section A & Section B.
- (iii) Section A has Objective type questions whereas Section B contains Subjective type questions.
- (iv) **Out of the given (6 + 18) = 24 questions, a candidate has to answer (6 + 11) = 17 questions in the allotted (maximum) time of 3 hours.**
- (v) All questions of a particular section must be attempted in the correct order.
- (vi) **Section - A – Objective Type Questions (30 Marks):**
  - This section has 06 questions.
  - There is no negative marking.
  - Do as per the instructions given.
  - Marks allotted are mentioned against each question/part.
- (vii) **Section – B - Subjective Type Questions (30 Marks):**
  - This section contains 18 questions.
  - A candidate has to do 11 questions.
  - Do as per the instructions given.
  - Marks allotted are mentioned against each question/part.

### SECTION A: OBJECTIVE TYPE QUESTIONS

Q.1	Answer any 4 out of the given 6 questions on Employability skills (1 x 4 = 4 marks)	MARKS
I.	Which of the following is not a stage of active listening? a) Receiving b) Understanding c) Non-responding d) Evaluating	1
II.	What is incorrect in SMART Goal? a) Specific b) Measurable c) Action-oriented d) Readable Time	1
III.	This arises because of incentives or external rewards. a) Intrinsic motivation b) Extrinsic motivation c) Realistic Motivation d) Unrealistic Motivation	1

IV.	Which of the following is characterized by an extreme feeling of self-importance? a) Social–Personal disorder b) Narcissistic personality disorder c) Borderline personality disorder d) Dependent personality disorder	1
V.	Which of the following is called ‘building blocks’ of a language? a) Paragraph b) Parts of speech c) Punctuation d) Tense	1
VI.	Which of the following is not a parameter to describe an individual’s personality? a) Self-confidence b) Openness c) Neuroticism d) Agreeableness	1

<b>Q.2</b>	<b>Answer any 5 out of the given 7 questions (1 x 5 = 5 marks)</b>	
I.	What is the secondary market, and what does it comprise?	1
II.	In the primary market, how many investors define a public issue according to the Companies Act, 1956? a) More than 100 b) Exactly 50 c) More than 50 d) Less than 50	1
III.	Name the two depositories established in India.	1
IV.	Which market is referred to as informal market where trades are negotiated? a) Exchange-Traded market b) Over-the-Counter (OTC) market c) Primary market d) Derivatives market	1
V.	The Market Capitalisation Ratio measures _____. a) The liquidity of a particular stock b) The trading activity in the stock markets c) The size of the stock market relative to GDP d) The total number of trades in a period	1
VI.	What type of securities includes interest and rights in securities? a) Equities b) Debt securities c) Derivatives d) All of the above	1
VII.	_____ are considered issuers in the securities market. a) Individuals who buy stocks b) Entities that issue securities such as companies and governments c) Intermediaries who facilitate trades d) Regulators who oversee market operations	1

<b>Q.3</b>	<b>Answer any 6 out of the given 7 questions(1 x 6 = 6 marks)</b>	
I.	How long is the period of ineligibility for re-admission for a trading member who has surrendered their membership? a) 6 months b) 1 year c) 2 years	1

	d) No period of ineligibility	
II.	What is the first stage in the admission procedure for new membership at NSE? a) Interview with the Membership Recommendation Committee b) Submission of application form and relevant documents c) Approval from Membership Selection Committee d) Obtaining SEBI registration certificate	1
III.	What is an Index in the context of the securities market?	1
IV.	In _____, orders are segregated based on attributes such as Regular Lot Orders, Special Term Orders, and Stop Loss Orders. a) Odd Lot Market b) Auction Market c) Normal Market d) Block Trades Session	1
V.	What is the primary responsibility of a Dealer in the trading system hierarchy? a) Set branch order value limits. b) Receive end-of-day reports for all branches. c) View outstanding orders and trades of all users. d) Perform order and trade related activities only for themselves.	1
VI.	What do you understand by UCC?	1
VII.	In what sequence are orders matched during the order matching period of the pre-open session? a) Market orders are matched first, followed by eligible limit orders. b) Residual eligible limit orders are matched first, followed by market orders. c) Eligible limit orders are matched first, followed by residual eligible limit orders. d) Market orders are matched first, followed by residual eligible limit orders.	1

<b>Q.4</b>	<b>Answer any 5 out of the given 6 questions(1 x 5 = 5 marks)</b>	
I.	Mention any two benefits of being a trading member of NSE.	1
II.	Who can cancel or modify outstanding orders of all users of the trading member? a) Dealer b) Branch Manager c) Corporate Manager d) Trader	1
III.	What action can a trading member take once admitted to the Exchange if they desire to surrender their membership?	1
IV.	The maximum brokerage chargeable by TM in respect of trades effected in the securities admitted to dealing on the CM segment of the Exchange is fixed at- a) 3.5% b) 2.5% c) 2% d) 1.5%	1
V.	What is the duration of the pre-open session in the trading day? a) 30 minutes b) 45 minutes c) 15 minutes d) 1 hour	1
VI.	During which stage of the trading day can trading members set up their Market Watch?	1

<b>Q.5</b>	<b>Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)</b>	
I.	What activities are allowed during the Normal Market Open Phase? a) Order Entry, Order Modification, Order Cancellation b) Order Matching, Trade Cancellation c) Order Entry, Order Modification, Order Cancellation, Inquiry, Order Matching, Trade Cancellation d) Order Entry, Order Modification, Order Cancellation, Inquiry	1
II.	What process occurs when a user logs in for the first-time regarding password setting? a) The user must enter a new password provided by the Exchange. b) The user must enter the default password and then set a new password. c) The user must enter the default password and then confirm it. d) The user must enter the default password, and the system assigns a new password automatically.	1
III.	_____ allows continuous monitoring of selected securities and displays trading information for them. a) Market Watch Window b) Inquiry Window c) Snap Quote d) Order/Trade Window	1
IV.	What is the primary function of the Title bar in the trader workstation screen? a) Displaying real-time market prices b) Providing quick access to trading functions c) Showing the current time and date d) Displaying messages broadcast by the exchange	1
V.	What types of orders are allowed during the Post-Close Market session? a) All types of orders b) Only market price orders c) Special Terms, Stop Loss, and Disclosed Quantity Orders d) Index Orders	1
VI.	How many securities can a user set up in the Market Watch? a) Up to 100 securities b) Up to 200 securities c) Up to 500 securities d) Up to 1000 securities	1

<b>Q.6</b>	<b>Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)</b>	
I.	What information is displayed in the detail line of the Activity Log? a) User ID, order number, and order quantity b) Symbol, series, and market type c) Branch ID, dealer information, and client account number d) Current time and date of the activity	1
II.	What were the main objectives of establishing the Securities and Exchange Board of India (SEBI) under the SEBI Act 1992?	1
III.	How are buy and sell orders displayed in the Market by Price window? a) Buy orders on the left and sell orders on the right. b) Sell orders on the left and buy orders on the right. c) Buy and sell orders are mixed randomly. d) Buy and sell orders are displayed separately on different screens.	1
IV.	What does the Activity Log (AL) feature in NEAT CM display? a) All active orders in the system. b) Orders that have been partially executed. c) Orders with pending modifications.	1

	d) Orders with recent activity such as modification or cancellation.	
V.	What is the default password provided by the Exchange for logging in for the first time?	1
VI.	Which feature allows traders to quickly view market information for any desired security not already included in their watchlist? a) Market Information Displayed b) Information Update c) Market Watch Download d) Snap Quote	1

## SECTION B: SUBJECTIVE TYPE QUESTIONS

	<b>Answer any 3 out of the given 5 questions on Employability Skills. Answer each question in 20 – 30 words. (2 x 3 = 6 marks)</b>	
<b>Q.7</b>	Suggest any two techniques that can help us to maintain a positive outlook in the long run.	2
<b>Q.8</b>	There are five parameters that describe an individual's personality. These five dimensions are also called the 'Big Five Factors' and the model are referred to as the 'Five Factor Model'. Name them and define anyone.	2
<b>Q.9</b>	What are some obstacles that hinder active listening?	2
<b>Q.10</b>	What do you mean by personality development?	2
<b>Q.11</b>	What is stress and how to manage it?	2

	<b>Answer any 3 out of the given 5 questions in 20-30 words each (2 x 3 = 6 marks)</b>	
<b>Q.12</b>	What is the primary market, and what opportunities does it provide?	2
<b>Q.13</b>	Describe the types of securities traded in the Wholesale Debt Market (WDM) Segment at NSE.	2
<b>Q.14</b>	What is the NEAT system, and which segment of NSE uses it?	2
<b>Q.15</b>	What distinguishes a Branch Manager from other users in the trading system?	2
<b>Q.16</b>	How are User IDs and Trading Member IDs related?	2

	<b>Answer any 2 out of the given 3 questions in 30– 50 words each (3 x 2 = 6 marks)</b>	
<b>Q.17</b>	Define Market Capitalisation and how it is computed for a particular company.	3
<b>Q.18</b>	Explain the Turnover Ratio and its significance.	3
<b>Q.19</b>	Explain the purpose of the Outstanding Orders feature in NEAT CM.	3

	<b>Answer any 3 out of the given 5 questions in 50-80 words each (4 x 3 = 12 marks)</b>	
<b>Q.20</b>	What are the different market segments available for trading on NSE, and what types of instruments are traded in each segment?	4
<b>Q.21</b>	Describe the Order Status (OS) feature in NEAT CM. How does it help a dealer monitor specific orders, and what are the key sections of the detailed OS screen?	4

<b>Q.22</b>	What are the conditions that a stock broker must fulfill to obtain a certificate of registration from SEBI?	4
<b>Q.23</b>	<p>Alpha Securities, a leading trading firm, aimed to enhance the efficiency of its trading operations by implementing a comprehensive Market Watch interface. The firm recognized the importance of real-time market information and efficient securities management in optimizing trading activities. To achieve this goal, Alpha Securities partnered with a top software development company to design and deploy a user-friendly Market Watch interface tailored to their specific needs.</p> <p>What were the key objectives of Alpha Securities in implementing the Market Watch interface?</p>	4
<b>Q.24</b>	<p>Mr. Ramesh Kumar, an investor with XYZ Securities, encountered a discrepancy in his trading account. He noticed an unauthorized trade that resulted in a significant financial loss. On January 5, 2024, Mr. Kumar lodged a complaint with the ISC, alleging that the trading member executed the trade without his consent. The ISC immediately forwarded the complaint to the trading member, requesting an explanation. The trading member claimed that the trade was executed based on Mr. Kumar's telephonic instructions. Mr. Kumar, however, denied making any such instructions and insisted that the trade was unauthorized.</p> <p>Over the next two months, the ISC engaged in a thorough follow-up, seeking additional documentation and clarifications from both parties. Despite these efforts, the ISC could not reconcile the conflicting claims. On March 10, 2024, the ISC advised Mr. Kumar to seek resolution through the arbitration mechanism.</p> <p>Mr. Kumar filed for arbitration on March 15, 2024. The arbitrator appointed for the case excluded the time taken by the ISC, ensuring that the six-month limitation period was honoured. During the arbitration hearings, both parties presented their evidence. The trading member provided call records purportedly showing Mr. Kumar's instructions. Mr. Kumar contested the authenticity of these records and highlighted discrepancies. After careful consideration, the arbitrator ruled in favour of Mr. Kumar. The arbitrator found that the call records lacked sufficient verification and that the trading member failed to provide conclusive evidence of authorization. XYZ Securities was instructed to compensate Mr. Kumar for the financial loss incurred due to the unauthorized trade.</p> <p>a) Describe the steps taken by the Investor Service Cell (ISC) at XYZ Securities to handle Mr. Ramesh Kumar's complaint. How effective were these steps in resolving the issue?</p> <p>b) Explain the arbitration process as described in the case study. How does this process ensure a fair resolution of disputes?</p>	4