



Delhi Public School, Howrah

PRE-BOARD - (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:

- Please read the instructions carefully.
- This Question Paper consists of **24 questions** in two sections- Section A & Section B.
- Section A has Objective type questions whereas Section B contains Subjective type questions.
- 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.**
- All questions of a particular section must be attempted in the correct order.
- 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.
- 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.	What is a benefit of being able to detect challenges early through active listening? a) Ignoring the issue to avoid conflict b) Making quick judgments c) Solving the problem more quickly or creating a plan to address it d) Avoiding responsibility for the issue	1
II.	What is the opposite of 'conscientiousness' according to the Big Five traits? a) Gregarious b) Lazy, disorganized, and unreliable c) Timid and quiet d) Cold and antagonistic	1
III.	Which trait represents someone who is calm and self-confident? a) Conscientiousness b) Emotional stability c) Openness to experience d) Extraversion	1

IV.	What is the first step in sorting data in a worksheet in Calc? a) Entering data in the worksheet b) Selecting the cell C1 c) Clicking the Data menu d) Closing the worksheet	1
V.	"Fear of failure is considered as an obstacle for entrepreneurs."- Choose the correct reason behind the same. a) It prevents them from setting up a business. b) It makes them only focus on success. c) It assumes that everything could go wrong in the business. d) It helps them learn courage and wisdom.	1
VI.	Which recent government scheme around Diwali is mentioned as an effort to control vehicle emissions? a) Carpooling Scheme b) Green Vehicle Initiative c) Odd-Even Scheme d) Renewable Energy Transport Plan	1

Q.2	Answer any 5 out of the given 7 questions (1 x 5 = 5 marks)	
I.	What term describes the reallocation of savings from savers to entrepreneurs through financial markets?	1
II.	Which stock market index is known as the blue-chip index of the NSE? a) CNX Nifty b) BSE Sensex c) Nasdaq d) Dow Jones	1
III.	What do you understand by Capital Market (CM) Segment?	1
IV.	Which ratio is used as a measure of trading activity or liquidity in the stock markets? a) Market capitalization ratio b) Price-to-earnings ratio c) Dividend payout ratio d) Turnover ratio	1
V.	Which organization regulates the securities market along with the Reserve Bank of India and Ministry of Corporate Affairs? a) Securities and Exchange Board of India (SEBI) b) Ministry of Labor c) Planning Commission d) Foreign Investment Promotion Board	1
VI.	What is the first step in the admission procedure for new membership at NSE? a) Submission of SEBI registration certificate b) Interview with Membership Selection Committee c) Passing an NCFM module exam d) Approval from Membership Recommendation Committee	1
VII.	The Membership Selection Committee (MSC) decides to approve or reject an application after recommendations from which committee? a) Compliance Committee b) Financial Standing Committee c) Membership Recommendation Committee d) Exchange Regulations Committee	1

Q.3 Answer any 6 out of the given 7 questions (1 x 6 = 6 marks)		
I.	What type of orders are included in the Normal Market? a) Stop Loss Orders only b) Regular Lot Orders, Special Term Orders, and Stop Loss Orders c) Block Trades Orders d) Limited Physical Orders only	1
II.	What is the main responsibility of a Branch Manager in the trading system? a) Set branch and user order value limits b) View and cancel/modify orders for all users in all branches c) View and perform order and trade-related activities only for themselves d) Create market phases	1
III.	Which user has access only to their own orders and trades in the trading system?	1
IV.	What is the timing of the Post-Close Market session? a) 9:00 AM to 9:15 AM b) 3:00 PM to 3:30 PM c) 3:40 PM to 4:00 PM d) 4:00 PM to 4:15 PM	1
V.	In the Activity Log, what does the 'OC' indicator represent? a) Order Completed b) Order Cancelled c) Order Created d) Order Changed	1
VI.	How are changes in best price and quantities highlighted in the Market Watch?	1
VII.	In the Market Watch, a user can set up a maximum of _____ securities. a) 100 b) 300 c) 500 d) 1,000	1

Q.4 Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)		
I.	What happens if there are short deliveries of securities on the pay-out day?	1
II.	What does "Securities Pay-in" refer to? a) The process of receiving payment for securities sold b) The process of delivering securities to the clearing corporation to settle a sale transaction c) The process of buying securities from the market d) The process of cancelling a securities transaction	1
III.	What does NSCCL do at the end of each trading day?	1
IV.	What happens if a member enters an invalid order in the Inter Institutional Deals segment? a) The order is executed anyway. b) The member is liable for disciplinary action. c) The order is automatically cancelled. d) No action is taken.	1
V.	In the Limited Physical Market, how is the delivery of shares treated if they are in the street name? a) Treated as good delivery	1

	<ul style="list-style-type: none"> b) Treated as bad delivery c) Allowed without issues d) Automatically cancelled 	
VI.	What is the purpose of the "Direct Payout to Investors" feature introduced by NSCCL?	1

Q.5	Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)	
I.	Which of the following activities is prohibited under the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations? <ul style="list-style-type: none"> a) Buying and selling stocks. b) Creating a misleading appearance of trading in the securities market. c) Investing based on market analysis. d) Holding shares for more than a year. 	1
II.	Which of the following was the first derivative product introduced in India? <ul style="list-style-type: none"> a) Individual stock options b) Index Futures c) Currency Swaps d) Options 	1
III.	Which type of derivative requires an underlying event to occur for the exchange to take place? <ul style="list-style-type: none"> a) Forward Contracts b) Futures Contracts c) Options d) Swaps 	1
IV.	What is the primary objective of hedgers in the derivatives market? <ul style="list-style-type: none"> a) To speculate on future price movements b) To manage price risk of assets and portfolios c) To earn riskless profits d) To increase the volume of trading 	1
V.	Which of the following best describes speculators in the derivatives market? <ul style="list-style-type: none"> a) Investors who take positions to earn riskless profits b) Investors who manage price risks of their portfolios c) Individuals who take a view on future market direction to profit from price movements d) Regulatory authorities overseeing market practices 	1
VI.	In the derivatives market, which of the following groups includes entities like banks and corporate treasuries? <ul style="list-style-type: none"> a) Speculators b) Arbitrageurs c) Hedgers d) Regulatory Authorities 	1

Q.6	Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)	
I.	Which of the following is NOT a standardized feature of a futures contract? <ul style="list-style-type: none"> a) Quality of the underlying asset b) Current market price of the asset c) Date and month of delivery d) Location of settlement 	1
II.	What is the role of SEBI in relation to insider trading?	1
III.	In futures trading, what is required from the trader instead of the full payment? <ul style="list-style-type: none"> a) A loan from the broker b) Margin money c) The entire price of the underlying asset d) Ownership of the underlying asset 	1

	What does the term "payoff" refer to in futures contracts? a) The price of the underlying asset b) The returns from buying or selling a futures contract compared to the underlying asset c) The total investment made in futures d) The amount paid to the broker	1
V.	What is the maximum brokerage chargeable by TM?	1
VI.	What is an example of a market that a speculator might trade in futures? a) Real estate market b) Nifty index futures c) Currency exchange market d) Gold commodity market	1

SECTION B: SUBJECTIVE TYPE QUESTIONS

	Answer any 3 out of the given 5 questions on Employability Skills. Answer each question in 20 – 30 words. (2 x 3 = 6 marks)	
Q.7	What are the four steps to teach interview skills in high school?	2
Q.8	What are the common personality disorders? State any one of them.	2
Q.9	Mention the steps to apply auto filter in a worksheet.	2
Q.10	State any two common entrepreneurial competencies in brief.	2
Q.11	What are the Key Drivers of Green Employment?	2

	Answer any 3 out of the given 5 questions in 20-30 words each (2 x 3 = 6 marks)	
Q.12	Explain classification of derivatives on the basis of place of trading?	2
Q.13	Define a forward contract. What do you mean by long and short position?	2
Q.14	What do you mean by effective annual return?	2
Q.15	Write a note on Basket Trading.	2
Q.16	What do you understand by annual report of a company?	2

	Answer any 2 out of the given 3 questions in 30– 50 words each (3 x 2 = 6 marks)	
Q.17	Why is it important to learn derivatives?	3
Q.18	What are the two kinds of risks inherent in a settlement system?	3
Q.19	Give any three features of Market by Price.	3

Answer any 3 out of the given 5 questions in 50-80 words each (4 x 3 = 12 marks)		
Q.20	Differentiate between futures and forwards.	4
Q.21	Define pay in and pay out of Funds and Securities.	4
Q.22	What are the advantages of Screen Based Trading System (SBTS)?	4
Q.23	<p>ABC Securities Pvt. Ltd. was a registered brokerage firm and a member of the National Stock Exchange (NSE). The firm decided to cease its operations due to significant financial losses and the departure of its primary partners. The company initiated the process to surrender its membership with NSE, intending to exit the exchange and discontinue trading activities. In line with the regulatory norms, ABC Securities submitted a formal application to the NSE, declaring its intent to surrender its membership. However, the NSE stipulated specific conditions and procedures for the surrender.</p> <p>Specify the norms and procedures related to the surrender of membership on the Exchange.</p>	4
Q.24	<p>XYZ Securities Ltd., a registered brokerage firm with the Bombay Stock Exchange (BSE), had a network of sub-brokers operating under it, including one prominent sub-broker, Mr. Rajiv Sharma. Mr. Sharma had a large client base and was responsible for processing transactions on behalf of XYZ Securities. As a sub-broker, he was bound to follow the regulatory norms of both the Securities and Exchange Board of India (SEBI) and the BSE, including client verification, transaction transparency, and regular reporting.</p> <p>What are the eligibility criteria of a Sub-broker?</p>	4