



Delhi Public School, Howrah

PERIODIC TEST III - (2024-2025)

Class-XI

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:

1. Please read the instructions carefully.
2. This Question Paper consists of **24 questions** in two sections – Section A & Section B.
3. Section A has Objective type questions whereas Section B contains Subjective type questions.
4. **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.**
5. All questions of a particular section must be attempted in the correct order.
6. **SECTION A - OBJECTIVE TYPE QUESTIONS (30 MARKS):**
 - i. This section has 06 questions.
 - ii. There is no negative marking.
 - iii. Do as per the instructions given.
 - iv. Marks allotted are mentioned against each question/part.
7. **SECTION B – SUBJECTIVE TYPE QUESTIONS (30 MARKS):**
 - i. This section contains 18 questions.
 - ii. A candidate has to do 11 questions.
 - iii. Do as per the instructions given.
 - iv. 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.	Ravi wrote an article on the benefits of sports. But everywhere he spelt the word sports as spots. Which option in the Spelling dialog box will you use to change all the wrong words to the right one in one go? a) Correct b) Always Correct c) Add to Dictionary d) Correct All	1
II.	“These are needs which are served through different products or services, but the customer is not completely satisfied and still faces problems while using.” Identify the customer need. a) Served needs b) Partially served need c) Unserved and Known needs d) Unknown needs	1
III.	Which of the following action will promote green economy? a) Use of non-renewable resources b) Sustainable development c) Social protection d) Creating jobs	1

IV.	“That’s fine with me, but don’t be surprised if someone else gets mad.” Identify the style of communication. a) Passive. b) Aggressive. c) Passive-aggressive. d) Assertive.	1
V.	_____ act as an interface between the user and the computer. a) Operating System. b) Ms Excel. c) Impress. d) Digital Documentation.	1
VI.	Your family has moved to a new home. Your next-door neighbour pays a visit. What should you do? a) Tell them you are in the middle of shifting and cannot speak right now. b) Get irritated and tell them that they have dropped in without informing. c) Give them an insincere smile and ask them to leave. d) Welcome them, introduce your family and thank them for coming.	1

Q.2 Answer any 5 out of the given 7 questions (1 x 5 = 5 marks)		
I.	One of the common irregularities noted by the Securities and Exchange Board of India during the inspection of a stock exchange was that it was dealing with unregistered sub brokers. Identify the common irregularity of Securities and Exchange Board of India as per the given statement. a) Regulatory function b) Protective function c) Developmental function d) None of the above	1
II.	_____ is a type of investment vehicle consisting of a portfolio of stocks, bonds, or other securities. a) Government Securities b) Mutual Funds c) Derivatives d) Shares	1
III.	“At present the pay-in and pay-out happens on the 2nd working day after the trade is executed on the stock exchange.”- What is the difference between pay-in and pay out?	1
IV.	Identify the correct sequence of steps to be followed in the trading procedure at Stock Exchange a) Opening a trading account and Demat account, Placing an order, Settlement of order, Execution of order b) Settlement of order, Opening a trading account and Demat account, Placing an order, Execution of order c) Opening a trading account and Demat account, Placing an order, Execution of order, Settlement of order d) Placing an order, Opening a trading account and Demat account, Execution of order, Settlement of order	1
V.	The value of one unit of investment in Mutual fund is called the _____. a) Net Asset Value b) Issue value c) Market value d) Gross Asset value	1
VI.	The type of structured market through which the funds flow with the help of financial instruments such as bonds and stocks is classified as a) Financial markets. b) Non-financial markets. c) Funds market. d) Flow market.	1

ii.	<p>"A long-term savings instrument with a maturity of 15 years and interest payable at 7.10 % per annum compounded annually." On the basis of above statement identify the long-term financial option for Investment.</p> <p>a) Post office savings. b) Sukanya Samriddhi Yojana. c) Public Provident Fund. d) Company Fixed Deposits.</p>	1
Q.3 Answer any 6 out of the given 7 questions (1 x 6 = 6 marks)		
i.	<p>Which amongst the following is an example of a physical asset?</p> <p>a) Bank Deposit b) Units by real estate investment trusts c) Shares held in physical form d) Real estate</p>	1
ii.	<p>_____ funds invest in stocks of companies that operate in a particular industry like banking, PSU, infra, rural, pharma etc.</p> <p>a) Large-cap companies b) Mid-cap companies c) Small-cap companies d) Sectoral Funds</p>	1
iii.	<p>Fill in the blank.</p> <p>_____ was the first ever commodity ETF.</p>	1
iv.	<p>The Exchange markets and Over- the-counter-markets are considered as two types of</p> <p>a) Floating market. b) Risky market. c) Secondary market. d) Primary market.</p>	1
v.	<p>There are two depositories in India which provide dematerialization of securities. The NSDL and CDSL. What is the full name of CDSL?</p> <p>a) Centralised Depository Services (India) Limited b) Central Depository System (India) Limited c) Central Depository Services (India) Limited d) Centralised Depository System (India) Limited</p>	1
vi.	<p>What do you mean by Tracking Error?</p>	1
vii.	<p>If the mutual fund units of an equity scheme are sold / redeemed / repurchased after _____, the profit is exempt.</p> <p>a) 12 months b) 2 years c) 3 years d) 6 months</p>	1

Q.4 Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)		
i.	<p>What is the holding period of long-term capital gains under Mutual Funds scheme (other than Equity)?</p>	1
ii.	<p>The investor invests a lump sum amount and withdraws some money regularly over a period of time. This is called –</p> <p>a) SIP b) STP c) SWP d) Both a) and c)</p>	1
iii.	<p>_____ are those funds which invest only in securities issued by the Government.</p> <p>a) Gilt Funds b) Balanced Funds c) Capital Protection Funds</p>	1

	d) Liquid Funds	1
IV.	Who are the participants in the Securities Market?	1
V.	Which method is used to calculate the return from the initial investment? a) NAV b) XIRR c) CAGR d) Interceptions	1
VI.	A/An _____ scheme allows the investor to enter and exit at his convenience. a) Voluntary b) open ended c) close ended d) short term	1

Q.5 Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)		
I.	Which of the following is the least risky mutual fund for investors? a) Index Fund b) Mid cap c) Small cap d) Diversified Large cap	1
II.	Which of the following is true with respect to importance of issue of shares in general public? I. The promoters' capital and the borrowings from banks and financial institutions may not be sufficient for setting up or running the business over a long term. II. This is mandatory for all companies to issue a certain number of shares to general public. a) Both I and II. b) Only I. c) Only II. d) Both are false.	1
III.	In primary markets, the property of shares which made it easy to sell newly issued security is considered as – a) increased liquidity b) decreased liquidity c) money flow d) large funds	1
IV.	Which of the following is true for mutual funds in India? a) Exit load is not allowed b) Entry load is allowed c) Entry load is not allowed d) Exit load is allowed in some cases	1
V.	_____ are equity schemes, where investors get tax benefit upto Rs. 1.5 lacs under section 80C of the Income Tax Act. a) Contra Funds b) Equity Linked Savings Schemes c) Arbitrage Funds d) Quant Funds	1
VI.	What is the full form of FCCB? a) Foreign Convertible Currency Bond b) Foreign Currency Convertible Bond c) Finance Counter Convertible Bond d) Finance Convertible Counter Bond	1

Q.6 Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)		
I.	"The issue of new securities to existing shareholders at a ratio to those already held." - Identify the type of shares.	1

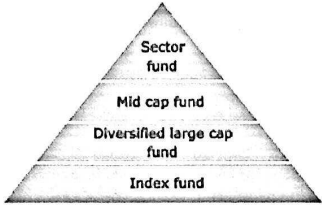
	<ul style="list-style-type: none"> a) Right shares b) Bonus shares c) Preference shares d) Equity shares 	
II.	<p>_____ refers to aggregate valuation of the company based on the current market price and the number of shares issued.</p> <ul style="list-style-type: none"> a) Market capitalization b) Tracking error c) Diversified funds d) Placement fund 	1
III.	"Ascertain your investment, if it is appropriate for your specific goals" Validate.	1
IV.	<p>Securities given for delivery could be mutilated or damaged or without signature or proper form. These would then be returned to the seller for appropriate action. This is called -</p> <ul style="list-style-type: none"> a) Bad delivery b) Open delivery c) Spoiled delivery d) Both a) and b) 	1
V.	<p>State whether the following statement is 'true' or 'false'.</p> <p>An index shows how a specified portfolio of share prices are moving in order to give an indication of market trends.</p>	1
VI.	<p>Mutual Funds in India follow a 3-tier structure. Which of the following is not under this 3-tier structure?</p> <ul style="list-style-type: none"> a) Trust b) AUM c) AMC d) Trustee company 	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	Explain with examples the role of government and private agencies in a green economy.	2
Q.8	What is the advantage of using a header or footer in a word processor document?	2
Q.9	Raju wrote a long document for his research and submitted it to his professor. But unfortunately, he forgot to insert the page number in the document. His professor told to insert the same and then submit. How will Raju easily and correctly insert the page number in his existing document?	2
Q.10	Mention any two advantages of Assertive communication.	2
Q.11	What do you mean by Time management?	2

Answer any 3 out of the given 5 questions in 20-30 words (2 x 3 = 6 marks)		
Q.12	Why index funds are called passively managed fund?	2
Q.13	Why does Securities Market need Regulators?	2
Q.14	How can you define 'Risk of Default'?	2
Q.15	State the relationship between interest rates and debt mutual fund schemes.	2
Q.16	"The securities market has two interdependent segments"- What are the name of such segments? State the function of each segment clearly.	2

Answer any 2 out of the given 3 questions in 30– 50 words each (2 x 3 = 6 marks)		
Q.17	Mention any three objectives of AMFI.	3
Q.18	Why should one trade on a recognized stock exchange only for buying/selling shares?	3
Q.19	How is a demutualised exchange different from a mutual exchange?	3

Answer any 3 out of the given 5 questions in 50-80 words each (4 x 3 = 12 marks)		
Q.20	Elucidate the various functions of AMC.	4
Q.21	<p>Equity funds account for around 30% of the total AUM managed by mutual funds. A scheme might have an investment objective to invest largely in equity shares and equity-related investments like convertible debentures. The investment objective of such funds is to seek capital appreciation through investment in this growth asset. Such schemes are called equity schemes.</p> <p>a) Why Equity funds are risky as well as more profitable as compared to other sector? b) Explain Equity Oriented Fund's risk pyramid briefly.</p> <div style="text-align: center;">  </div>	4
Q.22	“SEBI does not recommend any issue nor does it take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made.” Is this not contradictory for SEBI as a regulatory authority of Security market? Give proper explanation in support of your answer.	4
Q.23	<p>The first modern stock trading market was created in Amsterdam when the Dutch East India Company was the first publicly traded company. To raise capital, the company decided to sell stock and pay dividends of the shares to investors. Then in 1611, the Amsterdam stock exchange was created. For many years, the only trading activity on the exchange was trading shares of the Dutch East India Company.</p> <p>At this point, other countries began creating similar companies, and buying shares of stock was popular for investors. The excitement blinded most investors and they bought into any company that began available without investigating the organization. This resulted in financial instability, and eventually in 1720, investors became fearful and tried to sell all their shares in a hurry. No one was buying however, so the market crashed.</p> <p>a) Analyse the functions of Securities Market. b) Why do companies need to issue shares to the public?</p>	4
Q.24	Explain the complete mechanism of price discovery through Book Building Process of IPOs with the help of a suitable example.	4