03.07.25

Delhi Public School, Howrah

PERIODIC TEST I - (2025-2026)

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:

(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.	Communication is a ________________ process of sharing information. A. One-way B. Three-way C. Two-way D. Four-way	1
II.	If verbal communication is blocked due to noise or distance, what can we use? A. Long emails B. Hand movements or gestures C. Loud shouting D. Ignoring communication	1
III.	What does TEAM stand for? A. Together Everyone Achieve More B. Time Equals All Members C. Try Every Action Methodically D. Teamwork Ensures Achievement Manually	1

IV.	What is the main purpose of networking? A. To compete with others B. To stay in your comfort zone C. To build relationships for mutual benefit D. To avoid meeting new people	1
V.	In the story of the hare and the tortoise, the tortoise won because: A. It was faster than the hare B. It stayed motivated and consistent C. The hare let it win D. It took a shortcut	1
VI.	Which of the following is an example of non-verbal communication? A. Writing an essay B. Sending an email C. Smiling to show happiness D. Reading a newspaper	1

Q.2	Answer any 5 out of the given 7 questions (1 x 5 = 5 marks)	
I.	What is dematerialization?	1
II.	What is the 'real' rate of return on an investment? A. Return before inflation B. Return after tax C. Return after inflation D. Bank fixed deposit rate	1
III.	What is the meaning of a stock exchange?	1
IV.	Which of the following is not a physical asset? A. Real estate B. Gold C. Fixed deposit D. Commodities	1
V.	The full form of PPF is ________________. A. Permanent Pension Fund B. Public Provident Fund C. Private Protection Fund D. Public Pension Facility	1
VI.	Which of the following is a short-term financial investment option? A. Public Provident Fund B. Equity Shares C. Money Market Funds D. Life Insurance Policies	1
VII.	One of the 12 steps to safe investing is________________________________. A. Invest without reading the documents B. Follow friends blindly C. Compare with other investment opportunities D. Ignore risk-return profile	1

Q.3	Answer any 6 out of the given 7 questions (1 x 6 = 6 marks)	
I.	Which among the following is NOT a derivative instrument? A. Futures B. Options C. Bonds D. Swaps	1

II.	Mutual Fund units are issued based on which of the following? A. Face Value B. Nominal Value C. Net Asset Value (NAV) D. Premium Value	1
III.	What does a debenture holder receive on maturity of a non-convertible debenture?	1
IV.	________________ is NOT included in the definition of securities under the SCRA, 1956. A. Shares B. Real estate C. Derivatives D. Government securities	1
V.	Which organisation regulates and supervises the securities market in India?	1
VI.	What does 'delisting of securities' mean?	1
VII.	Which of the following is NOT a function of SEBI in an issue? A. Scrutinizing the disclosures made in offer documents. B. Guaranteeing investor returns. C. Issuing observations on draft offer documents. D. Ensuring compliance with capital market regulations.	1

Q.4	**Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)**	
I.	Which Act provides the legal definition of securities in India?	1
II.	Which of the following instruments can be converted into equity shares? A. GDR B. ADR C. FCCB D. IPO	1
III.	Define face value of a share or debenture.	1
IV.	A security is said to be issued at a premium when: A. It is issued below face value B. It is issued at face value C. It is issued above face value D. It is issued to promoters only	1
V.	Which of the following types of issue is made to existing shareholders? A. IPO B. FPO C. Rights Issue D. Preferential Issue	1
VI.	Who decides the price band for a Book Built IPO?	1

Q.5	**Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)**	
I.	What do you mean by issue price of a share?	1
II.	Market Capitalisation is calculated by: A. Total assets × share price B. Number of shareholders × earnings per share C. Share price × number of shares issued D. Market price – issue price	1
III.	The secondary market deals in____________ A. Brand new securities B. Government approvals C. Previously issued securities D. Real estate	1
IV.	In Book Building, the floor price refers to: A. The average price B. The lowest price at which bids can be made C. The highest possible price D. The fixed price of the IPO	1
V.	Which of the following is mandatory while applying for an IPO from January 1, 2016? A. NEFT B. RTGS C. ASBA D. Cheque	1
VI.	What is meant by 'Lock-in' in the context of IPOs?	1

Q.6	**Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)**	
I.	Who is responsible for crediting the allotted shares to the investor's demat account in an IPO? A. Stock Exchange B. Depository C. Registrar to the issue D. Merchant Banker	1
II.	What is the minimum number of days for which an IPO book building should remain open?	1
III.	What does a 'Red Herring Prospectus' lack? A. Number of shares B. Price of shares C. Amount of the issue D. All of the above	1
IV.	Which of the following statements is true about a 'Listing Agreement'? A. It is an agreement between investors and the SEBI. B. It outlines the penalties for insider trading. C. It is an agreement between the stock exchange and the company getting listed. D. It is signed by the registrar and the company.	1
V.	Which platform is provided by NSE for online IPO bidding? A. NEFT IPO B. NEAT IPO C. NSDL IPO D. BOLT IPO	1
VI.	What is the key difference between public issue and private placement? A. Private placement is open to all B. Public issue is made to selected few C. Public issue is open to all investors, private placement is not D. Public issue does not require SEBI approval	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	How are 'interests' different from 'abilities?	2
Q.8	Differentiate between internal and external motivation with examples.	2
Q.9	What do you understand by 'strength' in strength and weakness analysis?	2
Q.10	What is non-verbal communication?	2
Q.11	Why is it important to learn refusal skills?	2

	Answer any 3 out of the given 5 questions in 20-30 words each (2 x 3 = 6 marks)	
Q.12	Why is there a need for a regulator in the Securities Market?	2
Q.13	Name the three main participants in the securities market.	2
Q.14	Differentiate between Draft Offer Document and Abridged Prospectus.	2
Q.15	Why do companies issue shares to the public?	2
Q.16	What is meant by 'Cut-Off Price' in a Book Building process?	2

	Answer any 2 out of the given 3 questions in 30– 50 words each (3 x 2 = 6 marks)	
Q.17	Briefly explain any two types of public issues made by companies.	3
Q.18	State any three differences between Book Building and Fixed Price Issue.	3
Q.19	Explain the functions of the Securities Market?	3

	Answer any 3 out of the given 5 questions in 50-80 words each (4 x 3 = 12 marks)	
Q.20	What is a Prospectus? What information does it typically contain?	4
Q.21	Explain the role of a Registrar to an Issue in an IPO process.	4
Q.22	Ravi is planning to invest in an upcoming IPO and wants a platform that is secure, efficient, and accessible through his broker. His teacher tells him about the NEAT IPO system used by NSE. Based on this scenario, explain how the NEAT IPO system benefits investors like Ravi.	4
Q.23	An Indian company, ABC Ltd., is planning to raise funds from international investors by issuing an instrument that is denominated in U.S. dollars and can be converted into equity after a certain period. Identify the financial instrument being referred to and explain its features.	4
Q.24	Rahul, a retail investor, wants to buy shares of a listed company. He approached a friend who directly sold him the shares without going through a stockbroker or exchange. Later, Rahul discovered that the transaction was not valid as per law. A. Why was Rahul's transaction not valid? B. Explain the role of intermediaries in the securities market.	4