08.07.25

Delhi Public School, Howrah

PERIODIC TEST I - (2025-2026)

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:

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.	Which of the following best describes Avoidant Personality Disorder? A. Excessive perfectionism B. Social ineptness and fear of rejection C. Need for constant handwashing D. High self-confidence	1
II.	Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R). Assertion: Motivation helps individuals overcome their fears and take up new challenges. Reason: Motivation is always driven by external rewards and incentives. A. Both Assertion and Reason are true, and Reason is the correct explanation of Assertion. B. Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion. C. Assertion is true, but Reason is false. D. Assertion is false, but Reason is true.	1
III.	Why is active listening important in communication? A. It avoids any form of reply. B. It allows daydreaming during conversation. C. It helps understand and respond effectively. D. It avoids face-to-face communication.	1

IV.	Esha has feelings of emptiness, abandonment and suicide. What type of personality disorder is this? A. Borderline B. Dependent C. Avoidant D. Obsessive	1
V.	____________ affects all aspects of an individual's performance, even how he/she reacts to situations in life. A. Personality B. Disputes C. Confusion D. Environment	1
VI.	Which of the following is/are characterised by an extreme feeling of self-importance? A. Narcissistic personality disorder B. Borderline personality disorder C. Dependent personality disorder D. B and C Both	1

Q.2	**Answer any 5 out of the given 7 questions (1 x 5 = 5 marks)**	
I.	Explain the requirement of segregation of demat (beneficiary) accounts by trading members.	1
II.	A company issues shares to a select group of 40 individuals. This issue would be classified as ________. A. Public issue B. Rights issue C. Preferential issue D. Private placement	1
III.	Which screen provides instantaneous market information for a security not setup in Market Watch? A. Market by Price B. Snap Quote C. Market Movement D. Auction Inquiry	1
IV.	Given below are two statements, one labelled as Statement I and the other labelled as Statement II. Statement I: Market-wide circuit breakers are triggered based on the movement of either the Nifty 50 or the BSE Sensex. Statement II: Once circuit breakers are triggered, they only affect the equity segment and not the derivatives segment. Choose the correct option from the following. A. Statement I is true and Statement II is false. B. Statement II is true and Statement I is false. C. Both Statement I and Statement II are true. D. Both Statement I and Statement II are false.	1
V.	The trading system known as NEAT is associated with which market segment of NSE ? A. Currency Derivatives B. Wholesale Debt Market C. Capital Market Segment D. Commodity Market	1
VI.	Which of the following is a type of derivative traded in NSE's Futures & Options segment? A. Treasury Bills B. Certificates of Deposit C. Stock Futures D. Commercial Papers	1
VII.	What is the main benefit of a demutualised stock exchange structure?	1

Q.3	**Answer any 6 out of the given 7 questions (1 x 6 = 6 marks)**	
I.	Which of the following statements is not true with regard to stock exchange? A. It provides a platform for buying and selling of new securities. B. It curbs the marketability of the securities. C. By providing a ready market, it extends liquidity to the securities. D. It provides a platform for buying and selling of old securities.	1
II.	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
III.	Explain the relationship between Branch Order Value Limit and User Order Value Limits.	1
IV.	It is a legally enforceable document which is issued by a stock broker within 24 hours of the execution of a trade order. A. PAN number B. Unique Order Code C. Contract Note D. Debit note	1
V.	Members should have a prudent system of risk management to protect themselves from client default. ________ is an important element of such a system. A. NSCCL B. Margin C. Capital D. Unique Client Code	1
VI.	Can the Square Off option be used in the Odd lot market?	1
VII.	State one valid reason for which a trading member may be declared a defaulter by the Exchange.	1

Q.4	**Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)**	
I.	How can a user set default values for Client account number, Participant ID, and Remarks fields in order entry screens?	1
II.	Stock exchanges provide an opportunity to the investors to disinvest and invest. Identify the related function of the stock exchange. A. Providing scope for speculation. B. Providing liquidity and marketability to existing securities. C. Pricing of security. D. Spreading of equity cult.	1
III.	Explain how disclosed quantity is handled when replenishing in the regular lot book.	1

IV.	As per SEBI guidelines, what must every client have before placing orders through a Trading Member? A. Aadhaar number linked with UCC B. Unique Client Code (UCC) linked to PAN C. Voter ID linked with broker account D. Bank account with SEBI	1
V.	If an investor complaint cannot be resolved administratively by the Investor Service Cell, what is the next recommended course of action? A. File a civil suit B. Approach SEBI Chairman directly C. Proceed to arbitration under the Exchange's mechanism D. File a police complaint	1
VI.	What does 'ATO' stand for and when is it used?	1

Q.5	**Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)**	
I.	What is the main purpose of the Auction Market in the capital market system?	1
II.	During the Pre-Open session, at what price are orders matched? A. Last traded price B. Market price C. Equilibrium price D. Average closing price	1
III.	If no equilibrium price is discovered in the pre-open session, at what price are market orders moved to the normal market? A. Previous day's closing price or adjusted close/base price B. First traded price of normal market C. Lowest available bid D. Highest available offer	1
IV.	What is the primary purpose of the Surveillance and Control (SURCON) period? A. Allow additional trading B. Facilitate trade matching C. Enable inquiry access only D. Conduct Block Trades	1
V.	In the Activity Log, the symbol TM indicates: A. Trade Matched B. Trade Modified C. Trade Missed D. Trade Market	1
VI.	In Basket Trading, if the amount entered is insufficient to buy/sell a complete basket, what message is displayed?	1

Q.6	**Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)**	
I.	If a security in a portfolio is suspended or not eligible for trading on the chosen market, what happens during basket file generation? A. The security is skipped silently. B. An error message is displayed on the screen. C. The entire basket is automatically cancelled. D. The system replaces it with a default security.	1
II.	What is the difference between Market Inquiry and Market Movement screens?	1

III.	In Buy Back Trades functionality, which regulatory body's notification permits buyback from the open market? A. RBI B. SEBI C. NSE D. Ministry of Finance	1
IV.	Which supplementary function in NEAT CM helps in protecting users against unfavourable market price fluctuations? A. Market Price Protection B. Colour Selection C. Print Bhav copy on/off D. Reset Password	1
V.	In the auction market, when do auction order matches take place? A. During market opening B. At the end of the solicitor period C. Immediately upon entry D. At the end of the trading day	1
VI.	Market-wide circuit breakers are triggered when the index moves by: A. 5%, 10%, 15% B. 10%, 15%, 20% C. 8%, 12%, 16% D. 7%, 14%, 21%	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 two ways to overcome barriers caused by personal bias in listening?	2
Q.8	How does optimism help in achieving success?	2
Q.9	Suggest two strategies to manage stress effectively.	2
Q.10	Differentiate between Dependent Personality Disorder and Avoidant Personality Disorder.	2
Q.11	Mention any three factors that affect active listening.	2

	Answer any 3 out of the given 5 questions in 20-30 words (2 x 3 = 6 marks)	
Q.12	Differentiate between Equity shareholders and Preferential shareholders.	2
Q.13	State any two strong grounds on basis of which suspension or expulsion of NSE membership can be possible.	2
Q.14	Describe securities pay-in and funds pay-in settlement period.	2
Q.15	Explain any two consequences of expulsion of a trading member.	2
Q.16	How is the order matching done during the Pre-Open session?	2

	Answer any 2 out of the given 3 questions in 30– 50 words each (2 x 3 = 6 marks)	
Q.17	Under what condition the relevant authority suspend the business of a trading member?	3
Q.18	Under what conditions can a trading member be declared a defaulter?	3
Q.19	What is the principle behind determining the equilibrium price during pre-open matching? What is the matching priority for orders in the trading system?	3

	Answer any 3 out of the given 5 questions in 50-80 words each (4 x 3 = 12 marks)	
Q.20	Evaluate each type of user in Trading System users' hierarchy in brief.	4
Q.21	How has Wireless Application Protocol (WAP) trading supported retail investors? Compare its use with modern mobile trading apps.	4
Q.22	Nisha's grandmother who was unwell, called her and gave her a gift packet. Nisha opened the packet and saw many crumpled share certificates inside. Her grandmother told her that those share certificates had been left behind by her late grandfather. Now a days no trading is done on physical form. So, Nisha wants to know the process to deal with these physical certificates. a. Identify and state the process. b. Also, give two reasons to Nisha why dealing with shares in physical form has been stopped.	4
Q.23	Demonstrate understanding of compliance procedures related to membership status at a stock exchange.	4
Q.24	Ms. Priya wishes to become a sub-broker. Describe the step-by-step process she will have to follow for registration and mention any important compliance requirements she must meet after registration.	4