10.09.25

Delhi Public School, Howrah

PERIODIC TEST II - (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.

(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.

SECTION A : OBJECTIVE TYPE QUESTIONS

Q.1 Answer any 4 out of the given 6 questions on Employability skills (1 x 4 = 4 marks)

I. Which type of motivation is associated with love, happiness, and feeling good? 1

A. External Motivation
B. Internal Motivation
C. Extrinsic Reward
D. Conditional Motivation

II. What does "Specific" mean in the SMART model? 1

A. Something broad and unclear
B. Something straightforward and clear
C. Something measurable in numbers
D. Something difficult and challenging

III. Sameera follows a fixed schedule daily, plans for study and play time in advance, and is always punctual. Which time management practice does she demonstrate? 1

A. Procrastination
B. Lack of planning
C. Prioritisation
D. Wasting time

IV. In LibreOffice Writer, to insert a page number in the footer, you should go to__________. 1

A. Format → Page Style
B. Insert → Field → Page Number
C. Tools → Options → Page Number
D. Edit → Footer → Page Number

V. Which of the following is NOT a method to make text bold in LibreOffice Writer? 1

A. Clicking the Bold icon in the Formatting Toolbar
B. Selecting Bold from the Format → Text menu
C. Pressing Ctrl+B
D. Saving the document as Bold.docx

VI. In Track Changes mode, if you **accept a change**, it becomes__________. 1

A. Deleted permanently
B. A permanent part of the text
C. Highlighted in red
D. Hidden from the document

Q.2 Answer any 5 out of the given 7 questions (1 x 5 = 5 marks)

I. What is meant by the Demutualisation of Stock Exchanges? 1

II. Who is a Depository Participant (DP)? 1

III. Which of the following is a benefit of participation in a depository? 1

A. Need to maintain a minimum balance
B. Immediate transfer of securities
C. Stamp duty on transfer of securities is compulsory
D. Shares cannot be consolidated

IV. Which type of fund is suitable for investors who want exposure to both shares and bonds in one portfolio? 1

A. Hybrid funds
B. Equity funds
C. Gold ETF
D. Real estate funds

V. Why is trading through stock exchange considered safe? 1

A. Because it guarantees unlimited profits
B. Because transactions are regulated by SEBI and counter-party risk is removed
C. Because investors directly deal with the company
D. Because brokers decide prices freely

VI. What is the primary role of a Custodian in the securities market? 1

A. Issues IPO to investors
B. Registers and safeguards the client's securities
C. Works only as a broker
D. Provides loans to investors

VII. Which of the following details is NOT included in a contract note? 1

A. SEBI registration number of broker
B. Client code number
C. Dividend declaration date
D. Quantity and price of securities traded

Q.3 Answer any 6 out of the given 7 questions (1 x 6 = 6 marks)

I. Meena dealt with a broker who was not registered with SEBI. Later, she faced settlement issues. Which investor's right was compromised? 1

A. Right to liquidity
B. Right to investor protection
C. Right to nomination
D. Right to dividend

II. Mutual Funds in India follow ________ structure. 1

A. 2-tier
B. 3-tier
C. 4-tier
D. 5-tier

III. What is an ISIN? 1

IV. The role of Trustees in a mutual fund is to____________________________. 1

A. Act as fund managers
B. Supervise whether investor's money is managed as per the objectives
C. Float new schemes
D. Collect dividends for investors

V. How can an investor place an order with a broker? 1

VI. What is the maximum brokerage a broker can charge? 1

VII. Which of the following is NOT an advantage of investing through mutual funds? 1

A. Professional management
B. Diversification
C. Risk elimination
D. Variety of schemes

Q.4 Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)

I. Who maintains investor records such as folio numbers, NAV applicability, and redemption details? 1

II. The assets of a mutual fund scheme are held by: 1

A. Sponsor
B. Custodian
C. Trustees
D. AMC

III. What does SCORES stand for? 1

IV. Which of the following documents is an abridged version of the Offer Document (OD)? 1

A. Annual Report
B. KYC form
C. Key Information Memorandum (KIM)
D. Investment Management Agreement

V. Investors are entitled to receive dividends declared by mutual funds within_________. 1

A. 10 days
B. 15 days
C. 30 days
D. 45 days

VI. Distinguish between Stock Split and Stock Consolidation. 1

Q.5 Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)

I. Which of the following best describes Equity Funds? 1

A. Funds that primarily invest in debt instruments
B. Funds that primarily invest in equity shares of companies
C. Funds that invest in gold ETFs
D. Funds that invest in real estate properties

II. Which type of fund mirrors an index such as Nifty 50? 1

A. Arbitrage Fund
B. Index Fund
C. Hybrid Fund
D. Real Estate Fund

III. The difference between the returns of an index and the returns of an index fund is called_____________. 1

A. Dividend Yield
B. Beta
C. Tracking Error
D. Net Asset Value

IV. NAV of a mutual fund scheme is calculated as_____________ 1

A. Assets ÷ Liabilities
B. Net Assets ÷ Number of Units
C. Unit Capital ÷ Reserves
D. Market Price ÷ Face Value

V. Which of the following options correctly defines the term Expense Ratio? 1

A. Ratio of profits of scheme to NAV
B. Ratio of expenses to Average Weekly Net Assets
C. Ratio of AUM to NAV
D. Ratio of dividend declared to assets

VI. Contra funds generally follow which approach? 1

A. Growth investing
B. Value investing
C. Arbitrage
D. Sectoral investing

Q.6 Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)

I. Arbitrage funds earn returns by exploiting price differences between_______________. 1

A. Large cap and small cap stocks
B. Domestic and international markets
C. Cash and derivatives markets
D. Bonds and equities

II. What is dividend yield and how is it calculated? 1

III. Large-cap funds generally invest in________________. 1

A. Small companies with less than ₹5000 crore market cap
B. Government bonds
C. Top 100–200 companies with strong fundamentals
D. Real estate assets

IV. Which of the following is an example of a Sectoral Fund? 1

A. Index Fund
B. Banking Fund
C. Arbitrage Fund
D. ELSS

V. What are the two types of the Secondary Market? Give examples. 1

VI. Which of the following is **NOT** an actively managed fund? 1

A. Diversified Large Cap Fund
B. Mid Cap Fund
C. Index Fund
D. Sector Fund

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	Why is goal setting important?	2
Q.8	Name the four steps for effective time management.	2
Q.9	What does the red wavy underline indicate in LibreOffice Writer?	2
Q.10	How do you insert a bulleted list in LibreOffice Writer using a shortcut key?	2
Q.11	What is meant by communication being a 'two-way process'?	2

Answer any 3 out of the given 5 questions in 20-30 words each (2 x 3 = 6 marks)

Q.12	What is the role of a Stock Exchange in buying and selling shares?	2
Q.13	How can an investor know if a broker or sub-broker is registered?	2
Q.14	What is meant by a corporate action?	2
Q.15	What is a stock split? Explain its impact on shareholders with a suitable example.	2
Q.16	Explain the difference between open-ended and closed-ended mutual fund schemes with examples.	2

Answer any 2 out of the given 3 questions in 30– 50 words each (3 x 2 = 6 marks)

Q.17	How is a Depository similar to a Bank?	3
Q.18	Explain the advantages of Screen Based Trading (SBTS) over the traditional open outcry system.	3
Q.19	Explain the features and importance of the NEAT trading system of NSE.	3

Answer any 3 out of the given 5 questions in 50-80 words each (4 x 3 = 12 marks)

Q.20	What are the benefits of participating in a depository system?	4
Q.21	Why should investors trade only on a recognised stock exchange? Explain with four individual points.	4
Q.22	Rohit, a small investor, wants to invest in shares of an established company. He approaches a broker and places his order through the internet. His order gets executed within a second through the NSE trading system. After the trade, he receives a legal confirmation from the broker containing all trade details. a) Identify the type of trading system used by NSE. b) Name the electronic trading system of NSE. c) What is the document that Rohit received from the broker? d) Write two details that must be mentioned in the document.	4
Q.23	Sonal invested in an ELSS (Equity Linked Savings Scheme) of LMN Mutual Fund. She invested ₹1,50,000 on 1st April 2022 to save tax under Section 80C. The lock-in period of 3 years applies to her investment. After 1 year, Sonal needed money urgently but was told that she could not redeem her units. She also noticed that the scheme's Portfolio Turnover Ratio is very high. a) Why is Sonal unable to withdraw her money after 1 year? b) Mention two features of ELSS. c) What does a high Portfolio Turnover indicate? d) Explain why frequent portfolio churning can reduce investor returns.	4
Q.24	Mr. Arjun, a retail investor, wants to invest in shares of a company. He is worried about fraudulent practices in the securities market and asks his teacher how his interest will be protected. a) Which regulatory authority ensures protection of investors like Arjun? b) State three functions of this authority.	4