

INTRODUCTION TO FINANCIAL MARKETS (405)

Sample Question Paper

Class X - 2018-19

Time: 2 Hours M.M.: 50

General Instructions:

1. Question paper is divided into two sections: Section-A and Section- B.

2. Section-A:

i. Multiple choice question/Fill in the blanks/Direct Questions of 1 mark each. Answer any 10 questions out of the given 12 questions.

ii. Very Short Answer of 2 marks each. Answer any 5 questions from the given 7 questions.

iii. Short Answer of 3 marks each. Answer any 5 questions from the given 7 questions.

3. Section-B: Long/Essay type questions of 5 marks each. Answer any 3 questions from the given 5 questions.

4. All questions of a particular section must be attempted in the correct order.

5. Please check that this question paper contains 31 questions out of which 23 questions are to be attempted.

6. The maximum time allowed is 2 hrs.

SECTION –A

Answer any 10 questions out of the given 12 questions:

1. What is Investment? (1)
2. What do you mean by Securities? (1)
3. What is the face value of share and Debentures? (1)
4. What is meant by secondary market? (1)
5. What is Demutualization of stock exchanges? (1)
6. What is Screen Based Trading? (1)
7. What is an 'Option Premium'? (1)
8. What is Commodity derivatives market? (1)
9. Who regulates Mutual Funds in India? (1)
10. What are Corporate Actions? (1)
11. What is Simple Interest? (1)

12. What is liquidity ratio? (1)

Very Short Questions: (2 marks each).

Answer any 5 questions out of the given 7 questions:

13. What care should one take while investing? (2)

14. Why does Securities Market need Regulators? (2)

15. What are the benefits of participation in a depository? (2)

16. What is Buyback of Shares? (2)

17. Define current ratio with example? (2)

18. What is Pay-in and Pay-out? (2)

19. What is an Investor Protection Fund? (2)

Short Questions: (3 marks each).

Answer any 5 questions out of the given 7 questions

20. What is SEBI and what is its role? (3)

21. What are the different kinds of issues in primary market? (3)

22. What are Types of Derivatives? (3)

23. How is a depository similar to a bank? (3)

24. What is a Custodian? Write its functions? (3)

25. Why do companies announce Stock Split? Write the procedure? (3)

26. Explain the following in brief: (3)

- a. Cut off price
- b. Book Building
- c. Market Capitalization

SECTION – B

Long/Essay type questions (5 marks each).

Answer any 3 questions out of the given 5 questions:

27. What is a Contract Note? What details are required to be mentioned on the contract note issued by the stock broker? (5)

28. What precautions must one take before investing in the stock markets? (5)
29. What are the benefits of investing in Mutual Funds? (5)
30. What are the rights that are available to a Mutual Fund holder in India? (5)
31. What do terms like authorized, issued, subscribed, called up and paid up capital mean? (5)
