PERIODIC TEST 2, 2025-26
FINANCIAL MARKET MANAGEMENT 805

Class: XI | **Time: 1Hr.**
Date: 10/11/2025 | **Max Marks: 25**
Admission no: | **Roll no:**

INSTRUCTION:
I. Question paper comprises four Sections–A, B, C and D. There are12 questions in the question paper.
II. All questions are compulsory.
III. Section A –Question 1 to 5 are MCQs of 1 mark each.
IV. Section B–Question no.6 to 9 is Very Short Answer Type Questions, carrying 2marks each. Answer to each question should not exceed 20-40 words.
V. Section C-Question no.10 and 11 are Short Answer Type Questions, carrying 3marks each. Answer to each question should not exceed 40-60 words.
VI. Section D–Question no.12 is Long Type Question, carrying 6 mark. Answer to this question should not exceed 80-100 words.

SECTION-A

1. Which of the following best describes a Mutual Fund? 1
a) A company that provides insurance
b) A pool of funds collected from investors and invested in securities
c) A bank that gives loans
d) A type of government scheme

2. Mutual funds are regulated in India by: 1
a) RBI b) SEBI
c) IRDAI d) Ministry of Finance

3. **Assertion (A):** Mutual Funds reduce the risk for small investors.
Reason (R): They diversify investments across different securities. 1
a) Both A and R are true, and R is the correct explanation of A
b) Both A and R are true, but R is not the correct explanation of A
c) A is true, but R is false
d) A is false, but R is true

4. Which type of mutual fund scheme has no fixed maturity period? 1
a) Open-ended scheme b) Close-ended scheme
c) Interval scheme d) Government scheme

5. NAV in mutual funds stands for: 1
a) Net Asset Value b) National Asset Value
c) New Annual Value d) Net Annual Variation

SECTION –B

6. State any two advantages of investing in mutual funds. 2

7. Differentiate between Open-ended and Close-ended mutual funds (any two points). 2
8. What is Net Asset Value (NAV)? Why is it important in mutual funds? 2
9. Mention any two functions of mutual funds. 2

SECTION C

10. Explain the functions of Asset Management Companies (AMCs) in mutual funds. 3
11. Mutual funds are considered a good investment option for small investors. Justify this statement with three reasons. 3

SECTION D

12. Define the term "Mutual Fund". Explain its main functions and also discuss any four types of mutual fund schemes. 6

*************ALL THE BEST***************