B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL

NABET

INDIAN PUBLIC SCHOOLS' CONFERENCE

PERIODIC TEST-1, 2026-27
FMM 805

Class: XII	**SET-B**	**Time: 1hr**
Date: 15.06.2026	**ANSWER KEY**	**Max Marks: 25**
Admission no:		**Roll no:**

General Instructions:
I. Question paper comprises four Sections – A, B, C and D. There are 12 questions in the question paper. All questions are compulsory.
II. Section A – Question 1 to 5 are MCQs of **1 mark** each.
III. Section B – Question no. 6 to 8 are Very Short Answer Type Questions, carrying **2 marks** each. Answer to each question should not exceed 40-60 words.
IV. Section C - Question no. 9 and 10 are Short Answer Type Questions, carrying **3 marks** each. Answer to each question should not exceed 80-100 words.
V. Section D – Question no.11 and 12 are Long Type Question, carrying **4 marks**. Answer to this question should not exceed 120-150 words.
VI. There is no overall choice in the question paper.

SECTION-A

Q1. Odd lot market deals for------
a) Auction market
b) Regular lot market
c) Limited physical market
d) None of the above
Ans- b) Regular lot market

Q2. On starting the NEAT screen that screen display------
a) User id
b) Trading ID
c) Password
d) All of the above
Ans- d) All of the above

Q3. Title bar in Neat screen shows
a) Display information of all trades
b) Work as a tool bar
c) Display trading system date and time
d) None of the above
Ans- c) Display trading system date and time

Q4. A person who agrees to buy an asset at a future date has gone
a) Long.
b) Short.
c) Back.
d) Ahead
Ans- a) Long.

Q5. When in derivative the exchange is fixed at the future time it is called
a) Forward commitment

b) Future commitment
c) Contingent claim
d) Option and swaps
Ans- a) Forward commitment

SECTION-B

Q6. What is internet broking?
Ans: It is an online platform for trading securities.
Investors can buy and sell shares through the internet.

Q7. Classify the derivative on the bases of place of trading
Classification based on place of trading
Exchange-traded derivatives (regulated platforms).
Over-the-counter (OTC) derivatives (private agreements).
Differ in transparency, risk, and standardization.

Q8. Explain market capitalization index
Market capitalization index
Based on total market capitalization of companies.
Includes all shares (free-float + promoter holdings).
Larger companies have higher weight in index.

SECTION-C

Q9. What are the difference between the forward and future contract
a) Forward vs Future contract
Forwards are customized; futures are standardized.
Forwards are traded OTC; futures are exchange-traded.
Forwards have higher counterparty risk; futures have lower risk due to regulation.
Futures have daily settlement; forwards are settled only at maturity.

Q10. What are outstanding orders? Explain features.
Ans:
Outstanding orders are pending orders not yet executed.
They remain in the order book.
They can be modified or cancelled before execution.
They expire if not executed within validity period.

SECTION-D

Q11. What are price conditions while trading?
Ans: Market order executes at current market price.
Limit order executes at specified price.
Stop-loss order limits losses at a trigger price.
These conditions control execution of trades.

Q12. a) According to you, if you invest in the OTC market of having a future what problems will you face and what advantages will you enjoy?
Ans- OTC futures: problems & advantages
High counterparty risk due to lack of guarantee.
Less regulation and transparency.
Low liquidity compared to exchange markets.
Highly flexible and customizable contracts.
Terms like quantity and maturity can be tailored to needs.