B.K. BIRLA CENTRE FOR EDUCATION

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

PRE MID TERM EXAM, 2026-27

FMM 805

Class: XII **SET-1** **Time: 1hr**
Date: 22.07.2026 **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. Futures differ from forward because they are-
a). Hedging
b). Arbitrage
c). Speculation
d). Underwriting

Q2. ---- interest is interest paid on the borrowed amount
a). Compound interest
b). Simple interest
c). Continuous interest
d). Discrete interest

Q3. ---- financial securities are not for the business operations
a) Fixed asset
b) Investments
c) Current assets
d) Loans and advances

Q4. The term current asset does not include---
a) Cash
b) Stock in trade
c) Furniture
d) Advance payment

Q5. The fund used for a new plant under erection, a machine yet to be commissioned are example for--
a) Capital work in progress
b) Investors fund
c) Reserve and surplus fund
d) Shareholders fund

SECTION-B

Q6. Define Swaps.

Q7. Explain simple interest with formula.

Q8. What is the Effective Annual Return?

SECTION-C

Q9. What are the types of investors in derivatives?

Q10. What is the difference between secured and unsecured loans under loan funds?

SECTION-D

Q11. For the daily operations of the company, is it necessary to have current liabilities also? Justify your answer.

Q12. If the performance of an industry as well as the company seems good, then to check the earning price of the share which analysis will be quite helpful? Justify your answer.

ALL THE BEST