B.K. BIRLA CENTRE FOR EDUCATION

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

INDIAN PUBLIC SCHOOLS' CONFERENCE

PRE MID TERM EXAM, 2026-27

FMM 805

Class: XII **SET-2** **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. To extract the information from the financial statement number of tools are used. Most important tool is
a) Liquidity ratio
b) Leverage ratio
c) Ratio analysis
d) Capital structure ratio

Q2. ----ratio will reflects the contribution of debtors and owners to finance the business
a) Debt-Equity ratio
b) Debt- asset ratio
c) Debt service coverage ratio
d) Debt- income ratio

Q3. Futures differ from forward because they are-
a). Hedging
b). Arbitrage
c). Speculation
d). Underwriting

Q4. ---- interest is interest paid on the borrowed amount
a). Compound interest
b). Simple interest
c). Continuous interest
d). Discrete interest

Q5. ---- financial securities are not for the business operations
a) Fixed asset
b) Investments
c) Current assets
d) Loans and advances

SECTION-B

Q6. Define Contingent claim.

Q7. Explain simple interest with formula.

Q8. What is the Effective Annual Return?

SECTION-C

Q9. What are the economic functions of the derivative market?

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

SECTION-D

Q11. 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.

Q12. For the daily operations of the company, is it necessary to have current liabilities also? Justify your answer.

ALL THE BEST