B.K. BIRLA CENTRE FOR EDUCATION

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

PRE MID TERM EXAM, 2026-27
FINANCIAL MARKETS MANAGEMENT SET-A

Class: XI	**Time: 1hr**
Date: 23.07.2026	**Max Marks: 25**
Admission no:	**Roll no:**

INSTRUCTION:

I. Question paper comprises four Sections–A, B, C and D. There are 12 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 2 marks 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 marks. Answer to this question should not exceed 80-100 words.

SECTION-A

1. What is investment? [1]
(a) Spending all of one's income immediately
(b) Using savings to earn returns in the future
(c) Borrowing money from a bank
(d) Paying taxes on income

2. The 'real' rate of return on an investment means: [1]
(a) The return before inflation
(b) The nominal stated return
(c) The gross return before tax
(d) The return after inflation

3. **Assertion (A):** Physical assets include gold and real estate. [1]
Reason (R): These assets have a tangible form.
(a) Both Assertion (A) and Reason (R) are true, and (R) is the correct explanation of (A).
(b) Both Assertion (A) and Reason (R) are true, but (R) is NOT the correct explanation of (A).
(c) Assertion (A) is true, but Reason (R) is false.
(d) Assertion (A) is false, but Reason (R) is true.

4. Assertion (A): Treasury Bills are money market instruments. [1]
Reason (R Treasury Bills are long-term securities with maturities above 10 years.
(a) Both Assertion (A) and Reason (R) are true, and (R) is the correct explanation of (A).
(b) Both Assertion (A) and Reason (R) are true, but (R) is NOT the correct explanation of (A).
(c) Assertion (A) is true, but Reason (R) is false.
(d) Assertion (A) is false, but Reason (R) is true.

5. Match the investment instruments in Column I with their maturity/tenure feature in Column II. [1]

	Column I		Column II
1	Public Provident Fund (PPF)	i	30 days
2	Post Office Monthly Income Scheme	ii	6 years
3	Bank Fixed Deposit (minimum period)	iii	More than 1 year
4	Bonds/Debentures	iv	15 years

Choose the correct match:

(a) 1-i, 2-ii, 3-iii, 4-iv
(b) 1-iv, 2-ii, 3-i, 4-iii
(c) 1-ii, 2-iv, 3-i, 4-iii
(d) 1-iv, 2-i, 3-ii, 4-iii

SECTION –B

6. Why is diversification important? **[2]**

7. What is inflation? **[2]**

8. List any four macroeconomic factors that determine interest rates. **[2]**

9. What is a Derivative? **[2]**

SECTION-C

10. Why is it important to start investing early? Explain with reference to compounding. **[3]**

11. State any six precautions that an investor should take before making an investment. **[3]**

SECTION-D

12. Explain Company Fixed Deposits and Bonds and Debentures as long-term investment instruments. **[6]**

ALL THE BEST