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-B

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. **Mutual fund units are issued and redeemed based on the:** [1]

(a) Index value
(b) Net Asset Value (NAV)
(c) Bank interest rate
(d) Inflation rate

2. The main index of the National Stock Exchange (NSE) is: [1]

(a) Sensex
(b) BSE 100
(c) NIFTY 50
(d) Gold Index

3. **Assertion (A):** Money market/liquid funds yield higher returns than bank fixed deposits. [1]

Reason (R): Money market funds are primarily oriented towards protecting capital and then aim to maximize returns; they usually yield better returns than savings accounts but lower than bank fixed deposits.

(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): An investor should obtain written documents explaining the investment before investing. [1]

Reason (R): Written documentation is not necessary if the investment is recommended by a friend or relative.

(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	Term life policy	i	Combination of risk cover and investment
2	Endowment policy	ii	Lump sum paid to designated beneficiary only on death of the insured
3	Annuity/Pension policy	iii	Guaranteed income for life or for a certain period
4	ULIP	iv	Lump sum amount paid on death of insured or on expiry of policy, whichever occurs earlier

Choose the correct match:
(a) 1-i, 2-ii, 3-iii, 4-iv
(b) 1-ii, 2-iv, 3-iii, 4-i
(c) 1-iii, 2-i, 3-iv, 4-ii
(d) 1-iv, 2-iii, 3-ii, 4-i

SECTION –B

6. What is an equity share? [2]
7. Differentiate between convertible and non-convertible debentures. [2]
8. What is meant by interest? [2]
9. What is a Debt Instrument? [2]

SECTION-C

10. Explain the function of the Securities Market. [3]
11. What is a Depository? Explain the process of Dematerialization. [3]

SECTION-D

12. Describe the Post Office Monthly Income Scheme and Public Provident Fund as long-term investment options. [6]

ALL THE BEST