



B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL
ANNUAL EXAMINATION 2025-26

FINANCIAL MARKET MANAGEMENT (805)

CLASS: XI
DATE: 18/02/2026
NAME:

DURATION: 3 Hours
MAX. MARKS: 60
EXAM NO: -----

INSTRUCTIONS:

1. The question paper consists of four sections (A, B, C, and D) with 25 questions in total.
2. All questions are compulsory.
3. Question numbers 1-7 are multiple-choice questions of one mark each. A choice is given; attempt any 5.
4. Question numbers 8-13 are of 2 marks each. Answers to these questions should not exceed 50-60 words each.
5. Question numbers 14-18 are of 3 marks each case based questions.
6. Question numbers 19-25 are of 4 marks each. Answer to these questions should not exceed 80 – 120 words

SECTION-A 1X5=5 (Attempt any 5)

Q1. A financial market is a market where:

- | | |
|-------------------------------------|--|
| a) Goods and services are exchanged | b) Financial instruments are bought and sold |
| c) Only shares are traded | d) Foreign currencies are exchanged |

Q2. Which of the following is a function of the **Primary Market**?

- | | |
|-----------------------------------|--------------------|
| a) Trading of existing securities | b) Price discovery |
| c) Issue of new securities | d) Speculation |

Q3. NAV in mutual funds refers to:

- | | |
|-----------------------------|---------------------------|
| a) Market price of units | b) Total investment value |
| c) Net Asset Value per unit | d) Face value of units |

Q4. An Exchange Traded Fund (ETF) is traded on:

- | | |
|-----------------------|----------|
| a) Mutual fund houses | b) Banks |
| c) Stock exchanges | d) RBI |

Q5. An investor purchases shares of a company for Rs 50,000 and later sells them for Rs 65,000. The tax charged on the profit earned from this transaction is called:

- | | |
|----------------------|---------------------------|
| a) Income Tax | b) Dividend Tax |
| c) Capital Gains Tax | d) Goods and Services Tax |

Q6. Assertion (A): Investing in Gold ETFs helps an investor develop informed decision-making skills.
Reason (R): Gold ETFs require investors to understand market trends, risk factors, and price movements of gold before investing.

- a) Both A and R are true and R is the correct explanation of A
- b) Both A and R are true but R is not the correct explanation of A
- c) A is true but R is false
- d) A is false but R is true

Q7. Assertion (A): Gold ETFs promote financial literacy and responsible financial behaviour among investors.

Reason (R): Gold ETFs are traded on stock exchanges and require a Demat account and basic knowledge of financial markets.

- a) Both A and R are true and R is the correct explanation of A
- b) Both A and R are true but R is not the correct explanation of A
- c) A is true but R is false
- d) A is false but R is true

SECTION-B 2X6=12

Q8. Explain any two functions of financial markets.

Q9. Differentiate between Primary Market and Secondary Market.

Q10. State any **two** features of mutual fund products.

Q11. State any three functions of a secondary market.

Q12. Mention any **two** differences between ETFs and Debt Funds.

Q13. Ravi buys a laptop and pays GST included in the price. His employer deducts income tax from his monthly salary before paying him.

- a) Identify the type of tax paid in both cases.
- b) State one difference between the two types of taxes.

SECTION-C 3X5=15

Q14. Rohit wants to invest his savings in instruments that offer liquidity and safety. Identify a suitable financial market for him and justify your answer.

Q15. A company issues shares to the public for the first time and later those shares are traded on a stock exchange. Identify the two markets involved and explain their role.

Q16. Neha invested in a mutual fund scheme managed by professionals and diversified across sectors.

Explain why mutual funds are suitable for small investors.

Q17. An investor wants a low-risk and high liquidity investment for a short duration. Suggest a suitable fund and justify your answer.

Q18. An investor earned profits from the sale of shares and mutual funds. Explain how taxation impacts investment returns.

SECTION-D 4X7=28

Q19. Explain the types of financial markets with suitable examples.

Q20. Describe the role of the secondary market in capital formation.

Q21. Explain the advantages of investing in mutual funds.

Q22. Explain Debt Funds and Liquid Funds as investment options.

Q23. Discuss the important regulations governing the Indian financial markets.

Q24. Rohan wants to invest in gold but does not want to face issues related to storage, purity, and safety of physical gold. He also wants his investment to be transparent and easy to trade. His teacher suggests investing in Gold ETFs.

Based on the above situation:

- (a) Identify the financial instrument suitable for Rohan. (1 mark)
- (b) Mention two advantages of this instrument over physical gold. (2 marks)
- (c) State one employability skill developed by investing in such instruments. (1 mark)

Q25. Meena has basic knowledge of the stock market and holds a Demat account. She wants to invest in gold in a modern and systematic way. She studies gold price trends, global economic conditions, and market risks before investing in Gold ETFs.

Based on the above case:

- (a) Name the type of investment option chosen by Meena. (1 mark)
- (b) Identify two factors Meena analysed before investing. (2 marks)
- (c) Explain how this process helps in developing employability skills. (1 mark)

*****ALL THE BEST*****