CBSE CLASS X

Introduction to Financial Markets (405)

QUESTION PAPER

From previous CBSE Board Exam questions

Code: 00KXUY	Questions: 10	Maximum Marks: 18	Generated: 2026-06-15 13:05

SELECTIONS USED

Source	Previous-year board
Subject	Financial Market Management
Lessons	Securities
Year	2023-2026
Questions selected	10

Composition — Types: 11 MCQ · 2 Short · 1 Long · 1 competency

Q1. § What is Investment? § What is a Mutual Fund? **[1]**

A part of the profit is retained by the company for meeting fund requirements in future.

(a) Dividend
(b) Interest
(c) Reserves and Surplus
(d) Revenue

Previously asked in: 2023 92 Q5 (vi)

◆ **Investment Basics** | Reserves and Surplus | Retained Earnings / Ploughing Back of Profits

Q2. § Which are the securities one can invest in? § Unit Code: 3 — Unit Title: Primary Market **[1]**

Companies may issue shares to their shareholders without charge, proportionate to the number of shares owned by each shareholder. Identify the share.

(A) Equity share
(B) Rights issue
(C) Preference share
(D) Bonus share

Previously asked in: 2026 92 Q4 (iii)

◆ **Securities** | 3.1 Issue Of Shares

Q3. § What is meant by 'Securities'? § Which are the securities one can invest in? § 2.2 Participants **[1]**

Which of the following is not a security ?

(A) Shares
(B) Debentures
(C) Bonds
(D) Fixed Deposit Receipts

Previously asked in: 2025 92 Q2 (ii)

◆ **Securities** | Definition and Types of Securities

Q4. § What is the function of Securities Market? § Which are the securities one can invest in? **[1]**

Companies whose potential for growth in sales and earnings are excellent, are growing faster than other companies in the market or other stocks in the same industry are called :

(A) Value Stock
(B) Common Stock
(C) Growth Stock
(D) Debt Instrument

Previously asked in: 2025 92 Q2 (iv)

◆ **Securities** Growth Stocks

Q5. § What is the function of Securities Market? § Which are the securities one can invest in? **[1]**

A bond giving investor the option to convert the bond into equity at a fixed conversion price is called

(a) Convertible Bond
(b) Zero Coupon Bond
(c) Treasury Bills
(d) Commercial Paper

Previously asked in: 2023 92 Q5 (iii)

◆ **Securities** Convertible Bond

Q6. § Which are the securities one can invest in? **[4]**

Differentiate between equity shareholders and preference shareholders.

Previously asked in: 2023 92 Q21

◆ **Securities** Equity Shareholders vs Preference Shareholders

Q7. § Which are the securities one can invest in? **[1]**

Owners of these kinds of shares are entitled to a fixed dividend or dividend calculated at a fixed rate to be paid regularly before the dividend can be paid in respect of equity shares. They also enjoy priority over the equity shareholders in payment of surplus.

(a) Preference shares
(b) Bonus share
(c) Right share
(d) Equity share

Previously asked in: 2023 92 Q4 (iii)

◆ **Securities** Preference Shares – Features and Rights

Q8. § Which are the securities one can invest in? **[4]**

“When a company declares a stock split, the number of shares of that company increases, but the market cap remains the same. Existing shares split, but the underlying value remains the same.” Describe stock split and split of shares by a company.

Previously asked in: 2023 92 Q20

◆ **Securities** Stock Split and Split of Shares

Q9. § What is the function of Securities Market? § Which are the securities one can invest in? § 2.2 Participants **[1]**

__________ are interconnected with investments via a diverse array of intermediaries that employ various financial instruments known as 'Securities'.

(A) Savings
(B) Interest
(C) Income
(D) Profit

Previously asked in: 2026 92 Q2 (ii)

◆ **Securities** Savings and Investments linkage through Securities

Q10. **[1]**

Are bonds assessed based on their credit quality ?

(A) No, bonds are assessed based on their credit quality.
(B) Yes, bonds are assessed based on their credit quality.
(C) No, most bond and debenture issuances are rated by specialized credit rating agencies.
(D) Yes, RBI is an identity which assesses the bond and debenture issuances.

Previously asked in: 2026 92 Q5 (iii)

◆ **Securities** Credit Rating Agencies in India

Q11. § 2.1 Regulator **[1]**

Read the following statements Assertion (A) and Reason (R) and choose the correct option from those given below :
Assertion (A) : Equity shareholders are supposed to be the owners of the company.
Reason (R) : Equity shareholders have a right to vote in the Annual General Meeting for passing any resolution.
Options :

(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.

Previously asked in: 2025 92 Q4 (vi)

◆ **Securities** 4.2.1 Equity Investment

Q12. **[2]**

What does maturity of a 'Bond' refer to ?

Previously asked in: 2025 92 Q12

◆ **Securities** 4.2.2 Debt Investment

Q13. § 2.2 Participants **[2]**

XYZ Ltd. is a mid-sized manufacturing company seeking to raise funds for operational expansion. The company is considering issuing debt instruments to acquire the necessary capital. Their financial advisor has recommended the option of issuing debentures or commercial paper.
In the context of paragraph, what is a debenture ?

Previously asked in: 2026 92 Q12

◆ **Securities** 4.2.2 Debt Investment

Q14. § What are the benefits of participation in a depository? § Do dematerialised shares have distinctive numbers? **[1]**

Do stock splits, corporate actions have an effect on corresponding shares held by an investor ?

(A) No change in investors' holdings.
(B) Yes, the number of shares held by investors increased to double.
(C) Yes, the number of shares held by investors increased in proportionate ratio in which a stock spilt.
(D) Yes, the number of shares held by investors decreased in proportionate ratio in which a stock split.

Previously asked in: 2026 92 Q4 (v)

◆ **Depository** Stock Split and Split of Shares

Q15. **[1]**

"CRISIL is a credit rating agency in India". Which of the following is not a credit rating agency in India:

(a) CARE
(b) ICRA
(c) FITCH
(d) RBI

Previously asked in: 2023 92 Q2 (iv)

◆ **Miscellaneous** Credit Rating Agencies in India

Available for free from:
https://cbsegrade10studyguide.com
https://github.com/orgs/cbse-free-resources/repositories