CBSE CLASS X

Introduction to Financial Markets (405)

QUESTION PAPER

From previous CBSE Board Exam questions

Code: B7VEGO	Questions: 12	Maximum Marks: 16	Generated: 2026-06-15 13:05

SELECTIONS USED

Source	Previous-year board
Subject	Financial Market Management
Lessons	Depository
Year	2023-2026
Questions selected	12

Composition — Types: 8 MCQ · 4 Short · 2 Very short

Q1. § How is a depository similar to a bank? § What are the benefits of participation in a depository? § Who is a Depository Participant (DP)? **[1]**

It is like a bank wherein the securities are deposited in electronic form :

(A) Demat Account
(B) Depository
(C) RBI
(D) NSE

Previously asked in: 2025 92 Q5 (i)

◆ **Depository** Depository - Definition and Concept

Q2. § Who is a Depository Participant (DP)? **[2]**

Depository Participants (DPs) open investor accounts, in which they hold the securities that they have bought in dematerialised form. Brokers and Banks offer DP services to investors. DPs help investors receive and deliver securities when they trade in them. While the investor level accounts in securities are held and maintained by the DP the company level accounts of securities issued is held and maintained by the depository. Who can be depository participants ? Mention two depositories in India.

Previously asked in: 2025 92 Q13

◆ **Depository** Depositories in India – NSDL and CDSL Depository Participants (DPs) – Eligibility and Role

Q3. § 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

Q4. § Who is a Depository Participant (DP)? **[1]**

“The Depository provides its services to investors through its agents.” By what destignation are the agents known as ?

Previously asked in: 2023 92 Q7

◆ **Depository** Depository Participants (DPs) as Agents of Depository

Q5. § How is a depository similar to a bank? § What are the benefits of participation in a depository? § Who is a Depository Participant (DP)? **[2]**

List two services that depository participants offer to investors.

Previously asked in: 2026 92 Q13

◆ **Depository** Services Offered by Depository Participants

Q6. § What are the benefits of participation in a depository? § Who is a Depository Participant (DP)? **[1]**

It keeps the client informed of corporate actions taken or to be taken by the issue of securities, having a bearing on the benefits or rights accruing to the client.

(A) Depository Participant
(B) Bank
(C) Financial Institution
(D) Custodian

Previously asked in: 2025 92 Q5 (iv)

◆ **Depository** Services Offered by Depository Participants

Q7. § Do dematerialised shares have distinctive numbers? **[2]**

Describe the process of dematerializing of shares.

Previously asked in: 2023 92 Q13

◆ **Depository** Process of Dematerialization of Shares

Q8. § Do dematerialised shares have distinctive numbers? **[1]**

What do you understand by 'Dematerialisation'?

Previously asked in: 2023 92 Q4 (iv)

◆ **Depository** Dematerialisation

Q9. § Which are the depositories in India? **[1]**

Which of the following provides dematerialization of securities ?

(A) Reserve Bank of India (RBI)
(B) National Securities Depository Limited (NSDL)
(C) National Stock Exchange (NSE)
(D) Securities Exchange Board of India (SEBI)

Previously asked in: 2025 92 Q4 (iv)

◆ **Depository** Dematerialization of Securities

Q10. § Do dematerialised shares have distinctive numbers? **[1]**

It is essential to recognise the implications of these options to fully understand the impact of dematerialisation. Clearly identify which of the following is NOT a benefit of dematerialisation ?

(A) Faster trading and settlement
(B) Reduced paperwork
(C) Increased trading cost
(D) Lower risk of loss or theft of certificates

Previously asked in: 2026 92 Q5 (iv)

◆ **Depository** Benefits of Dematerialisation

Q11. § What are the benefits of participation in a depository? § Can one dematerialise his debt instruments, mutual fund units, government securities in his demat account? **[2]**

Describe any two benefits of dematerialized (Demat) account.

Previously asked in: 2023 92 Q13

◆ **Depository** Benefits of Demat Account

Q12. § How is a depository similar to a bank? § Can one dematerialise his debt instruments, mutual fund units, government securities in his demat account? **[1]**

Hold the fund in _______ account.

(a) Bank
(b) Depository
(c) Demat
(d) Cash

Previously asked in: 2023 92 Q5 (iv)

◆ **Depository** Depository Account (Demat Account) for Holding Funds

Q13. § Can odd lot shares be dematerialised? **[1]**

Mr. Anil owns 500 physical shares of XYZ Ltd. He wants to sell them on the stock exchange but is worried about the risks of holding physical certificates. He needs a quicker and safer way to trade.
What should Mr. Anil do ?

(A) Sell the physical share certificates at stock exchange.
(B) Transfer the physical shares to XYZ Ltd. and then sell them.
(C) Open a Demat account with a Depository Participant (DP) and dematerialize his share before selling.
(D) Ignore the risks and sell the shares as they are.

Previously asked in: 2026 92 Q5 (i)

◆ **Depository** 1.3 Electronic Shares

Q14. § Which are the depositories in India? § What are the benefits of participation in a depository? § Can one dematerialise his debt instruments, mutual fund units, government securities in his demat account? **[1]**

Mr. Sandeep, a new investor, is interested in investing in the stock market. He has learned about the advantages of holding securities in electronic form and has decided to open a demat account. To do this, he approached a local financial institution called "Arron Financials", which is a registered Depository Participant with both NSDL and CDSL. Arron Financials helps him open a demat account and dematerialize his physical shares.
Who serves as the intermediary between the depository and the investors ?

(A) Stock Exchange
(B) Clearing Corporation
(C) Registrar and Transfer Agent
(D) Depository Participant

Previously asked in: 2026 92 Q4 (iv)

◆ **Depository** 1.3 Electronic Shares

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