

CBSE CLASS X

Introduction to Financial Markets (405)

QUESTION PAPER

From previous CBSE Board Exam questions

Code: V7MHDI

Questions: 29

Maximum Marks: 45

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SELECTIONS USED

Source	Previous-year board
Subject	Financial Market Management
Lessons	Secondary Market
Year	2023-2026
Questions selected	29

Composition — Types: 10 Short · 9 MCQ · 2 Long · 1 fill_in_blank · 1 Very short · 1 Case-based

Q1. § INVESTMENT BASICS

[1]

Statement-1 : A company's market capitalization can provide insight into a stock's risk factor.

Statement-2 : Larger companies tend to be more established and have stocks with high volatility.

- (A) Statement 1 is true, but statement 2 is false.
- (B) Both statements are true.
- (C) Both statements are false.
- (D) Statement 1 is false, but statement 2 is true.

Previously asked in: 2026 92 Q4 (ii)

◆ Investment Basics

Market Capitalisation

Q2. § What is meant by Interest?

[1]

When we borrow money, we are expected to pay for using it – this is known as _____. (Gain / Interest / Profit)

Previously asked in: 2025 92 Q4 (i)

◆ Investment Basics

4.2.2 Debt Investment

Q3. § 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

Q4.

[2]

What does maturity of a 'Bond' refer to ?

Previously asked in: 2025 92 Q12

◆ Securities

4.2.2 Debt Investment

Q5.

§ 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

Q6.

§ 4.1 Introduction

§ 4.2 Products in the Secondary Markets

§ 4.2.1 Equity Investment

[1]

How can we find Market Capitalisation of a company?

Previously asked in: 2023 92 Q3 (iii)

◆ Secondary Market

Market Capitalisation

Q7.

§ 4.1 Introduction

[1]

"The market which deals in securities previously issued" is called

- (a) Primary Market
- (b) Debt Market
- (c) Secondary Market
- (d) Commodity Market

Previously asked in: 2023 92 Q3 (ii)

◆ Secondary Market

Definition of Secondary Market

Q8.

§ 4.1 Introduction

§ 4.1.1 Stock Exchange

§ 4.2 Products in the Secondary Markets

[1]

It is entrusted with responsibility of regulating and developing the securities market. It formulates regulations and guidelines to govern various market participants, such as brokers, stock exchanges and listed companies to promote fair and transparent practices. Who is this market participant and what is the name of this entity ?

Previously asked in: 2025 92 Q3 (ii)

◆ Secondary Market

4.1.1 Stock Exchange

Q9.

§ 4.1 Introduction

§ 4.1.1 Stock Exchange

§ 4.2 Products in the Secondary Markets

[1]

What does it mean to have securities listed on the stock exchange ?

Previously asked in: 2026 92 Q3 (iii)

◆ Secondary Market

4.1.1 Stock Exchange

Q10.

§ 4.1.1 Stock Exchange

§ 4.1.2 Stock Trading

[1]

The trading system of NSE is called:

- (a) BOLT
- (b) NEAT
- (c) ODIN
- (d) FTEC

Previously asked in: 2023 92 Q3 (iv)

◆ Secondary Market

4.1.2 Stock Trading

Q11. § 4.1 Introduction**[4]**

Rohan, a diligent investor, strategically purchases 100 shares of Titan Ltd. through a reputable broker on a stock exchange. Once the trade is executed, the broker promptly issues a detailed contract note to Rohan, documenting the transaction and serving as confirmation of his investment.

Answer the following sub-parts based on the given scenario.

- (1) What is the purpose of a contract note in the secondary market ? [2]
- (2) How does a contract note contribute to transparency and accountability in the secondary market ? [2]

Previously asked in: 2026 92 Q18

♦ Secondary Market 4.1.2 Stock Trading

Q12.

Pay-out

Previously asked in: 2023 92 Q15 (b)

♦ Secondary Market Pay-out

Q13. § 4.2.2. Debt Investment**[4]**

"A contract note is a confirmation of trade on a particular day issued for and, on behalf of, a client by a registered broker of a stock exchange." Explain information required to be mentioned on the contract note issued by the stock broker.

Previously asked in: 2023 92 Q18

♦ Secondary Market 4.1.2 Stock Trading

Q14. § 4.1.1 Stock Exchange**[1]**

Stock exchanges facilitate opportunities for investors to engage in the buying and selling of securities. Identify the pertinent function of a stock exchange.

- (A) Price Rigidity
- (B) Providing liquidity and marketability for existing securities
- (C) Determining the pricing of securities
- (D) Promoting the culture of equity investment

Previously asked in: 2026 92 Q2 (iv)

♦ Secondary Market 4.1.1 Stock Exchange 4.1.2 Stock Trading

Q15. § 4.1 Introduction § 4.1.1 Stock Exchange § 4.2 Products in the Secondary Markets**[1]**

Statement-I : On account of non-delivery of securities by the trading member on the pay-in day, the securities are put up for auction by the exchange.

Statement-II : The exchange purchases the requisite quantity in auction market and gives them to the buying trading member.

- (A) Statement-I is true, but Statement-II is false.
- (B) Statement-I is false; but Statement-II is true.
- (C) Both Statement-I and Statement-II are false.
- (D) Both Statement-I and Statement-II are true.

Previously asked in: 2025 92 Q5 (v)

♦ Secondary Market 4.1.2 Stock Trading

Q16. § 4.1.1 Stock Exchange

[4]

Stock Exchange market is a vital component of a capital market. It facilitates the transaction between traders of financial instruments and targeted buyers. A stock exchange in India adheres to set of rules and regulations directed by Securities and Exchange Board of India or SEBI. The said authorised body functions to protect the interest of investors and aims to promote the stock market of India. In the view of this para, what do you mean by stock exchange ? What are the roles of stock exchange in securities market ?

Previously asked in: 2025 92 Q18

♦ Secondary Market

4.1.1 Stock Exchange

4.1.2 Stock Trading

Q17.

[2]

Write the steps to create new folder.

Previously asked in: 2023 92 Q8

♦ Secondary Market

Steps to Create a New Folder

Q18. § 4.1 Introduction

[1]

Secondary market comprises of _____ and the _____.

- (A) Equity market, Debt markets
- (B) Equity market, Commodity markets
- (C) Debt markets, Commodity markets
- (D) Currency market, Equity markets

Previously asked in: 2025 92 Q5 (iii)

♦ Secondary Market

4.2 Products in the Secondary Markets

Q19. § 4.2 Products in the Secondary Markets § 4.2.1 Equity Investment

[2]

Explain the following : Aim of Investor Protection Fund

Previously asked in: 2026 92 Q19 (a)

♦ Secondary Market

Investor Protection Fund

Q20. § 4.2.1 Equity Investment

[2]

"Equities have the potential to increase in value over time". What are the benefits of investing in equities or shares? (any two)

Previously asked in: 2023 92 Q12

♦ Secondary Market

4.2.1 Equity Investment

Q21. § 4.2.1 Equity Investment

[2]

Explain the following : Types of return received by investor in equities

Previously asked in: 2025 92 Q20 (b)

♦ Secondary Market

4.2.1 Equity Investment

Q22. § 4.2.2. Debt Investment**[1]**

Statement-1 : The debt includes various instruments that enable the buying and selling of loans in exchange for interest.

Statement-2 : Debt funds typically offer lower returns compared to equity investments.

- (A) Statement 1 is true, but statement 2 is false.
- (B) Statement 1 is false, but statement 2 is true.
- (C) Both statements are false.
- (D) Both statements are true.

Previously asked in: 2026 92 Q2 (vi)

♦ Secondary Market

4.2.2 Debt Investment

Q23.**[2]**

What does 'Listing agreement' mean? (Part of: Answer any 4 out of given 6 questions in 20-30 words each.)

Previously asked in: 2023 92 Q11

♦ Secondary Market

4.1 Introduction

Q24.**[2]**

What do you mean by "files" and "folders" in computer system ?

Previously asked in: 2025 92 Q8

♦ Secondary Market

4.1 Introduction

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