CBSE CLASS X

Introduction to Financial Markets (405)

QUESTION PAPER

From previous CBSE Board Exam questions

Code: ZQF4JH **Questions: 37** **Maximum Marks: 48** **Generated: 2026-06-15 12:52**

SELECTIONS USED

Source	Previous-year board
Subject	Financial Market Management
Lessons	Investment Basics
Year	2023-2026
Questions selected	37

Composition — Types: 22 MCQ · 7 Short · 7 Very short · 2 fill_in_blank · 1 Long · 1 Case-based · 1 Assertion–reason

Q1. § INVESTMENT BASICS § When to start Investing? § What care should one take while investing? **[2]**

Discuss role of entrepreneur in the society.

Previously asked in: 2023 92 Q9

◆ **Investment Basics** Role of Entrepreneur in Society

Q2. § 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

Q3. § INVESTMENT BASICS § What are various options available for investment? **[1]**

Give two examples of financial assets.

Previously asked in: 2023 92 Q4 (i)

◆ **Investment Basics** Financial Assets and their Examples

Q4. **[1]**

An acquired or natural capacity that enables you to perform a particular task with considerable proficiency is termed as ________.

(A) Interest
(B) Ability
(C) Weakness
(D) Hobby

Previously asked in: 2026 92 Q1 (iii)

◆ **Investment Basics** Skill (as a component of Investment Basics / Personal Finance attributes)

Q5. § When to start Investing? § What care should one take while investing? **[1]**

What is the primary function of an entrepreneur in society ?

(A) Avoid taking risks
(B) Discouraging others from starting business
(C) Creating myths about business
(D) Fostering innovation and economic growth

Previously asked in: 2026 92 Q1 (v)

◆ **Investment Basics** | Functions of an Entrepreneur | Role of Entrepreneur in Society

Q6. § INVESTMENT BASICS § What care should one take while investing? § What are various options available for investment? **[1]**

List any two functions of an entrepreneur.

Previously asked in: 2023 92 Q2

◆ **Investment Basics** | Functions of an Entrepreneur

Q7. § INVESTMENT BASICS § What is Investment? § What are various options available for investment? **[1]**

Investment in precious metal is a type of __________ class.

(A) Monetary Assets
(B) Real Assets
(C) Financial Assets
(D) Liquid Assets

Previously asked in: 2026 92 Q4 (i)

◆ **Investment Basics** | Asset Classes of Investment

Q8. § What is an 'Equity'/Share? **[1]**

___________ is a percentage of the face value of a share that a company returns to its shareholders from its annual profit.

(A) Dividends
(B) Capital gain
(C) Profit
(D) Interest

Previously asked in: 2025 92 Q3 (iv)

◆ **Investment Basics** | Dividend

Q9. § What is Investment? § What care should one take while investing? **[1]**

A way of thinking that helps to accept failure, not give up, continuously experiment etc. is crucial for an entrepreneur.

(a) Energetic
(b) Self-confident
(c) Perseverant
(d) Optimism

Previously asked in: 2023 92 Q1 (i)

◆ **Investment Basics** | Entrepreneurial Mindset

Q10. § What is Dematerialization? **[1]**

Enables you to perform a particular job or task with considerable proficiency.

(a) Interests
(b) Abilities
(c) Weakness
(d) Motivation

Previously asked in: 2023 92 Q1 (iii)

◆ **Investment Basics** Skill (as a component of Investment Basics / Personal Finance attributes)

Q11. § What are various options available for investment? **[1]**

Investments with low risk involve minimal or no levels of risk, providing stable and often guaranteed returns. These options are ideal for risk-averse investors seeking a secure way to earn returns. Which of following is not low-risk investment ?

(A) Fixed Deposits
(B) Public Provident Fund (PPF)
(C) Sukanya Samriddhi Yojana
(D) Equities

Previously asked in: 2026 92 Q2 (i)

◆ **Investment Basics** 1.1 Saving Vs Investment

Q12. § INVESTMENT BASICS § Why should one invest?

Value Investment Strategy

Previously asked in: 2023 92 Q19 (c)

◆ **Investment Basics** 1.1 Saving Vs Investment

Q13. § What is Investment? **[1]**

What does investment mean ?

(A) An increase in national stocks over time
(B) The use of fund to acquire products and services that contribute to the production process
(C) The use of funds for assets with the aim of generating future income or returns
(D) The application of money to purchase a flat or a house

Previously asked in: 2026 92 Q3 (i)

◆ **Investment Basics** 1.1 Saving Vs Investment

Q14. **[1]**

With the introduction of high agriculture tools, we can grow more food by using fertilisers, pesticides and hybrid crops. This leads to _______.

Previously asked in: 2023 92 Q3

◆ **Investment Basics** Green Revolution / Agricultural Productivity and Food Security

Q15. § What is Investment? § What are various options available for investment? **[2]**

Answer the following sub-parts:

(a) What is a career ? [1]

(b) Name the two ways how a person can earn a living. [1]

Previously asked in: 2026 92 Q9

◆ **Investment Basics** 1.1 Saving Vs Investment

Q16. § What are various options available for investment? § What are various long-term financial options available for investment? **[1]**

Which of the following is a long-term investment option ?

(A) Saving Bank Account
(B) Money Market or Liquid Fund
(C) Fixed Deposits with bank with less than one year tenure
(D) Post Office monthly income scheme

Previously asked in: 2025 92 Q3 (i)

◆ **Investment Basics** 1.1 Saving Vs Investment

Q17. § What is Investment? **[1]**

Define a career.

Previously asked in: 2023 92 Q1 (v)

◆ **Investment Basics** Definition of a Career

Q18. § Why should one invest? § What is meant by Interest? § What factors determine interest rates? **[1]**

What is meant by 'Real rate of return'?

Previously asked in: 2023 92 Q2 (i)

◆ **Investment Basics** 1.1 Saving Vs Investment

Q19. § What is Investment? § Why should one invest? **[1]**

What do you mean by 'Time value of Money' ?

Previously asked in: 2023 92 Q10

◆ **Investment Basics** Time Value of Money

Q20. § Why should one invest? § When to start Investing? § What are various long-term financial options available for investment? **[4]**

Suppose you are given two options :
(a) Receive ` 10,000 now or
(b) Receive ` 10,000 after three years
Which of options you prefer to choose ? Explain with the help of the time value of money concept.

Previously asked in: 2025 92 Q21

◆ **Investment Basics** Time Value of Money

Q21. § What is meant by Interest? § What factors determine interest rates? **[1]**

If interest rate is compounded quarterly, then the number of conversion periods per year would be __________.

(A) two
(B) three
(C) four
(D) six

Previously asked in: 2026 92 Q4 (vi)

◆ **Investment Basics** Compounding and Conversion Periods

Q22. § What is Investment? § When to start Investing? § What is meant by Interest? **[1]**

When you invest money, you earn interest on your capital. The next year you earn interest on both your original capital and interest from the first year. In the third year, you earn interest on your capital and the interest on the first two years' interest… and so on. This concept is known as __________.

(A) The concept of Discounting
(B) The concept of Compounding
(C) The concept of Simple Interest
(D) The concept of Profit

Previously asked in: 2025 92 Q2 (i)

◆ **Investment Basics** Compounding / Power of Compounding

Q23. § 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

Q24. **[1]**

In SMART Goals 'R' stands for :

(A) Rational
(B) Realistic
(C) Revised
(D) Regional

Previously asked in: 2026 92 Q1 (ii)

◆ **Investment Basics** SMART Goals in Financial Planning

Q25. § INVESTMENT BASICS § What care should one take while investing? **[1]**

“One must believe in oneself.” Mention the quality of Entrepreneur.

Previously asked in: 2023 92 Q1

◆ **Investment Basics** Qualities of an Entrepreneur - Self-Confidence

Q26. **[1]**

"I will read my entire year's syllabus in one day and get good marks." It is an example of __________.

(A) Realistic goal
(B) Achievable goal
(C) Unrealistic goal
(D) Time bound goal

Previously asked in: 2025 92 Q1 (iii)

◆ **Investment Basics** Unrealistic Expectations / Overconfidence in Investment Behaviour

Q27. § INVESTMENT BASICS § What is a Derivative? § What is Dematerialization? **[1]**

This includes what to produce or sell, how much and where to sell. Identify this function of entrepreneur.

(A) Making Decisions
(B) Taking Risk
(C) Divide Income
(D) Create a new method, idea or product

Previously asked in: 2025 92 Q1 (v)

◆ **Investment Basics** Functions of an Entrepreneur – Decision Making (What, How Much, and Where to Sell)

Q28. § 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

Q29. § What is Investment? § What are various options available for investment? **[2]**

Describe the ways through which a person can earn a living.

Previously asked in: 2023 92 Q5

◆ **Investment Basics** Ways of Earning a Living (Employment, Business, Profession)

Q30. § INVESTMENT BASICS § What are various options available for investment? § What is a Mutual Fund? **[4]**

> "Effective fund allocation is vital for a company's financial stability and growth. Companies can strategically utilise funds in several key areas : investing in fixed assets such as machinery, buildings or technology that enhance operational efficiency; managing working capital to ensure smooth day-to-day operations and meet short-term obligations and repaying debt to reduce interest expenses and improve the overall financial position. Thoughtful investment in these areas not only supports immediate needs but also lays a solid foundation for long-term success."

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

(a) In the context of the paragraph, what are the various types of applications of fund ? Explain one of them. [3]

(b) Why is the application of funds important for a company's financial health ? [1]

Previously asked in: 2026 92 Q20

◆ **Investment Basics** Application of Funds (Investment Avenues)

Q31. **[2]**

Ramya and Ramu both own plant shop. Ramu sits at his shop every day. When customers come, he sells plants to them. Ramya walks around and brings customers to her shop. She also sells seeds and flowers with her plants. Ramya is working hard to grow her business. She has also added a different idea to her business. Explain the roles of Ramya and Ramu.

Previously asked in: 2025 92 Q9

◆ **Investment Basics** Diversification of Business/Investment Types of Investors/Entrepreneurs: Active vs Passive Business Roles

Q32. § What is meant by Interest? § What factors determine interest rates? § What are various short-term financial options available for investment? **[1]**

"It is often the first banking product people use, which offers low interest."

(a) Fixed Deposit Account
(b) Recurring Deposit Account
(c) Current Deposit Account
(d) Saving Bank Account

Previously asked in: 2023 92 Q5 (i)

◆ **Investment Basics** Savings/Bank Account – First Banking Product with Low Interest

Q33. **[2]**

What is meant by conversion period ?

Previously asked in: 2023 92 Q16

◆ **Investment Basics** Conversion Period

Q34. § INVESTMENT BASICS § What is Investment? § What are various long-term financial options available for investment? **[1]**

____________ is the sum of present values of all the cash inflows of this annuity.

(A) Present value of a single cash flow
(B) Future value of an annuity
(C) The present value of annuity
(D) The future value of a net cash flow

Previously asked in: 2025 92 Q5 (vi)

◆ **Investment Basics** Present Value of Annuity

Q35. **[1]**

"Akshita is always punctual at school. She has a regular schedule that she follows everyday. She plans for study and play time in advance." Mention this ability of Akshita.

Previously asked in: 2023 92 Q1 (ii)

◆ **Investment Basics** Time Management / Planning Ability

Q36. § INVESTMENT BASICS § What is Investment? § Why should one invest? **[1]**

Assertion (A) : All fixed assets, except for land, have a defined lifespan.
Reason (R) : Each year, it is assumed that the value of an asset decreases due to usage. The decrease in value is referred to as 'Depreciation'.

(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: 2026 92 Q5 (vi)

◆ **Investment Basics** Depreciation of Fixed Assets

Q37. **[2]**

Ravi and his best friend, Shiv have been practicing for annual school dance competition. They both are performing solo. On the day of the competition, Shiv won. Ravi felt extremely sad and dejected. He shouted at Shiv unnecessarily, cried and also did not talk to his parents for 3-4 hours. On the contrary, if Ravi would have been emotionally intelligent, he would have accepted defeat gracefully and done better in the next competition. Being emotionally intelligent enhances your chances of success and a balanced life. Suggest some points to manage emotional intelligence.

Previously asked in: 2025 92 Q7

◆ **Investment Basics** Emotional Intelligence and Its Management

Q38. § 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

Q39. § 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

Q40. § 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

Q41. § 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

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