# CBSE | DEPARTMENT OF SKILL EDUCATION

## INTRODUCTION TO FINANCIAL MARKETS (SUBJECT CODE: 405)

### MARKING SCHEME FOR CLASS X (SESSION 2025-2026)

**Max. Time: 2 Hours** **Max. Marks: 50**

## General Instructions:

1. Please read the instructions carefully.
2. This Question Paper consists of **21 questions** in two sections – Section A & Section B.
3. Section A has objective-type questions, whereas Section B contains subjective-type questions.
4. **Out of the given (5 + 16 =) 21 questions, a candidate has to answer (5 + 10 =) 15 questions in the allotted (maximum) time of 2 hours.**
5. All questions of a particular section must be attempted in the correct order.
6. **SECTION A - OBJECTIVE TYPE QUESTIONS (24 MARKS):**
   - **i.** This section has 05 questions.
   - **ii.** There is no negative marking.
   - **iii.** Do as per the instructions given.
   - **iv.** Marks allotted are mentioned against each question/part.
7. **SECTION B – SUBJECTIVE TYPE QUESTIONS (26 MARKS):**
   - **i.** This section contains 16 questions.
   - **ii.** A candidate has to do 10 questions.
   - **iii.** Do as per the instructions given.
   - **iv.** Marks allotted are mentioned against each question/part.

## SECTION A: OBJECTIVE TYPE QUESTIONS

| Q. No. | QUESTION | Source Material (NCER/ CBSE Study Material) | Unit/ Chap. No. | Page no. of source material | Marks |
|---|---|---|---|---|---|
| **Q. 1** | **Answer any 4 out of the given 6 questions on Employability Skills (1 x 4 = 4 marks)** | | | | |
| **i.** | Non-verbal communication | **NCERT** | **1** | **10** | **1** |
| **ii.** | stress-relieving techniques | **NCERT** | **2** | **42** | **1** |
| **iii.** | Emotional intelligence | **NCERT** | **2** | **43** | **1** |
| **iv.** | damage the data and software programs | **NCERT** | **3** | **80** | **1** |
| **v.** | Self-employed | **NCERT** | **4** | **85** | **1** |
| **vi.** | The Sustainable Development Goals (SDGs) | **NCERT** | **5** | **106** | **1** |
| **Q. 2** | **Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)** | | | | |
| **i.** | Bonds | **CBSE** | **1** | **4** | **1** |
| **ii.** | Derivative | **CBSE** | **1** | **5** | **1** |
| **iii.** | Index | **CBSE** | **1** | **6** | **1** |
| **iv.** | Dematerialization | **CBSE** | **1** | **6** | **1** |
| **v.** | SEBI | **CBSE** | **2** | **9** | **1** |
| **vi.** | Primary | **CBSE** | **2** | **9** | **1** |
| **Q. 3** | **Answer any 5out of the given 6 questions (1 x 5 = 5 marks)** | | | | |
| **i.** | Rights Issue | **CBSE** | **3** | **12** | **1** |
| **ii.** | 20% | **CBSE** | **3** | **14** | **1** |
| **iii.** | The IPO market 24/7 | **CBSE** | **3** | **15** | **1** |

| | | | | | |
|---|---|---|---|---|---|
| **iv.** | Euro Issues | **CBSE** | **3** | **17** | **1** |
| **v.** | Broker/Trading Member | **CBSE** | **4** | **21** | **1** |
| **vi.** | clearing corporation | **CBSE** | **4** | **22** | **1** |
| **Q. 4** | **Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)** | | | | |
| **i.** | Equity Shares | **CBSE** | **4** | **25** | **1** |
| **ii.** | Buyer's price | **CBSE** | **4** | **27** | **1** |
| **iii.** | Call Option | **CBSE** | **5** | **31** | **1** |
| **iv.** | Call Buyer | **CBSE** | **5** | **31** | **1** |
| **v.** | National Securities Depository Limited | **CBSE** | **6** | **34** | **1** |
| **vi.** | Depositary Participants | **CBSE** | **6** | **35** | **1** |
| **Q. 5** | **Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)** | | | | |
| **i.** | Net Asset Value | **CBSE** | **7** | **38** | **1** |
| **ii.** | Face Value | **CBSE** | **8** | **45** | **1** |
| **iii.** | Pay out Day | **CBSE** | **8** | **47** | **1** |
| **iv.** | current assets - current liabilities | **CBSE** | **9** | **62** | **1** |
| **v.** | Authorized capital | **CBSE** | **9** | **60** | **1** |
| **vi.** | Average Collection Period | **CBSE** | **10** | **67** | **1** |

# SECTION B: SUBJECTIVE TYPE QUESTIONS

| Q. No. | QUESTION | Source Material (NCERT/ CBSE Study Material) | Unit/ Chap. No. | Page no. of source material | Marks |
|---|---|---|---|---|---|
| **Answer any 3 out of the given 5 questions on Employability Skills in 20 – 30 words each (2 x 3 = 6 marks)** | | | | | |
| **Q. 6** | **Ans:** Feedback is an important part of the communication cycle. For effective communication, it is important that the sender receives an acknowledgement from the receiver about getting the message across.<br>While a sender sends information, the receiver provides feedback on the received message. | **NCERT** | **1** | **16,17** | **2** |
| **Q. 7** | **Ans:** Managing stress is about making a plan to be able to cope effectively with daily pressures. The ultimate goal is to strike a balance between life, work, relationships, relaxation and fun. By doing this, you are able to deal with daily stress triggers and meet these challenges head on. | **NCERT** | **2** | **41** | **2** |
| **Q. 8** | **Ans**: The most important software in any computer is the Operating System (OS). This is the software that starts working as soon as we switch on a computer. It displays the desktop on the monitor. Some of the most commonly used operating systems for laptops and desktop are Ubuntu, Microsoft Windows and Mac OS | **NCERT** | **3** | **64** | **2** |
| **Q. 9** | **Ans** For example, a doctor who works for a hospital is a wage employed person. If the same doctor has their own clinic, he or she is self-employed. A self-employed person running a business to satisfy a need by trying new ideas is an entrepreneur. | **NCERT** | **4** | **100** | **2** |

| | | | | | |
|---|---|---|---|---|---|
| Q. 10 | **Ans**<br>(a) Food: The amount of rich, fertile land needed to grow crops, such as wheat, rice, etc., is becoming less as we are using up more and more land for other purposes.<br>(b) Water: We use fresh water from rivers and ponds for drinking and cleaning but dump garbage into them. The rivers and ponds are getting polluted. | NCERT | 5 | 105 | 2 |
| **Answer any 4 out of the given 6 questions in 20 – 30 words each (2 x 4 = 8 marks)** | | | | | |
| Q. 11 | **Ans:**<br>**Initial Public Offering (IPO)** : An unlisted company makes either a fresh issue of securities or an offer for sale of its existing securities or both for the first time to the public.<br>**Rights Issue**: a listed company which proposes to issue fresh securities to its existing shareholders as on a record date. | CBSE | 3 | 12 | 2 |
| Q. 12 | **Ans:**<br>Broadly there are two factors: (1) stock specific and (2) market specific.<br>● The stock-specific factor is related to people's expectations about the company, its future earnings capacity, financial health and management, level of technology and marketing skills<br>● The market specific factor is influenced by the investor's sentiment towards the stock market as a whole | CBSE | 4 | 26 | 2 |
| Q. 13 | **Ans:**<br>● Immediate transfer of securities<br>● No stamp duty on transfer of securities<br>● Reduction in transaction cost<br>● Ease of nomination facility<br>**(Any four)** | CBSE | 6 | 34 | 2 |
| Q. 14 | **Ans:** Nifty50 is a scientifically developed, 50 stock index, reflecting accurately the market movement of the Indian markets. It comprises some of the largest and most liquid stocks traded on the NSE. It is maintained by India Index Services & Products Ltd. (IISL) which is a group company of NSE. Nifty is the barometer of the Indian markets. | CBSE | 8 | 46 | 2 |

| | | | | | |
|---|---|---|---|---|---|
| **Q. 15** | **Ans**: Money has time value. The idea behind time value of money is that a rupee now is worth more than rupee in the future.<br>The relationship between the value of a rupee today and value of a rupee in future is known as 'Time Value of Money'. | **CBSE** | **9** | **52** | **2** |
| **Q. 16** | **Ans:**<br>Liquidity refers to the ability of a firm to meet its financial obligations in the short-term which is less than a year.<br>The current ratio measures the ability of the firm to meet its current liabilities from the current assets. Higher the current ratio, greater the short-term solvency | **CBSE** | **10** | **66** | **2** |
| **Answer any 3 out of the given 5 questions in 50– 80 words each (4 x 3 = 12 marks)** | | | | | |
| **Q. 17** | **Ans:**<br>● A part of the guidelines issued by SEBI (Securities and Exchange Board of India) is the disclosure of information to the public. **1M**<br>● This disclosure includes information like the reason for raising the money, the way money is proposed to be spent, the return expected on the money etc. **1M**<br>● This information is in the form of 'Prospectus' which also includes information regarding the size of the issue, the current status of the company, its equity capital, its current and past performance, the promoters, the project, cost of the project, means of financing, product and capacity etc. **1M**<br>● It also contains a lot of mandatory information regarding underwriting and statutory compliances. This helps investors to evaluate short term and long term prospects of the company.**1M** | **CBSE** | **3** | **15** | **4** |
| **Q. 18** | **Ans**: In Indian securities markets, the term 'bond' is used for debt instruments issued by the Central and State Governments and public sector organizations and the term 'debenture' is used for instruments issued by the private corporate sector. **1M**<br>● **Maturity**: Maturity of a bond refers to the date, on which the bond matures, which is the date on which the borrower has agreed to repay the principal. Term-to-Maturity refers | **CBSE** | **4** | **28** | **4** |

| | | | | | |
|---|---|---|---|---|---|
| | to the number of years remaining for the bond to mature. **1M**<br>● **Coupon**: Coupon refers to the periodic interest payments that are made by the borrower (who is also the issuer of the bond) to the lender (the subscriber of the bond). Coupon rate is the rate at which interest is paid, and is usually represented as a percentage of the par value of a bond. **1M**<br>● **Principal**: Principal is the amount that has been borrowed, and is also called the par value or face value of the bond. The coupon is the product of the principal and the coupon rate.**1M** | | | | |
| **Q. 19** | **Ans**:<br>There are several benefits from investing in a Mutual Fund. Following are the basic benefits<br>**Small investments:**<br>Mutual funds help you to reap the benefit of returns by a portfolio spread across a wide spectrum of companies with small investments.<br>**Professional Fund Management:**<br>Professionals having considerable expertise, experience and resources manage the pool of money collected by a mutual fund. They thoroughly analyze the markets and economy to pick good investment opportunities. | **CBSE** | **7** | **37** | **4** |
| **Q. 20** | **Ans**: If the value of the stock doesn't change, what motivates a company to split its stock? Though there are no theoretical reasons in financial literature to indicate the need for a stock split, generally, there are mainly two important reasons. As the price of a security gets higher and higher, some investors may feel the price is too high for them to buy, or small investors may feel it is unaffordable. Splitting the stock brings the share price down to a more "attractive" level. In our earlier example, to buy 1 share of company ABC you need Rs. 40 pre-split, but after the stock split the same number of shares can be bought for Rs.10, making it attractive for more investors to buy the share. This leads us to the second reason. Splitting a stock may lead to increase in the stock's liquidity, since more investors are able to afford the share and the total outstanding shares of the company have also increased in the market.<br>e.g. If a company has issued 1,00,00,000 shares with a face value of Rs.10 and the current market price being Rs.100, a 2-for-l stock split would reduce the face value of the shares to 5 and increase the number of the company's outstanding shares to 2,00,00,000, | **CBSE** | **8** | **45** | **4** |

| | | | | | |
|---|---|---|---|---|---|
| | (1,00,00,000*(10/5)). Consequently, the share price would also halve to Rs.50 so that the market capitalization or the value shares held by an investor remains unchanged. It is the same thing as exchanging a Rs. 100 note for two Rs.50 notes; the value remains the same. | | | | |
| **Q. 21** | **Ans**:<br>1. **Authorized capital** is the maximum capital that a company is authorized to raise.<br>2. **Issued capital** is that part of the authorized capital which is offered by the company for being subscribed by members of the public or anybody.<br>**3.** **Subscribed capital** is that part of the issued capital which is subscribed (accepted) by the public**.**<br>**4.** **Paid up capital** refers to that part of the called up capital which has been actually paid by the shareholders. Some of the shareholders might have defaulted in paying the called up money. Such a defaulted amount is called arrears. From the called up capital, calls in arrears are deducted to obtain the paid up capital. | **CBSE** | **9** | **60,61** | **4** |