

**Marking Scheme**  
**Strictly Confidential**  
**(For Internal and Restricted use only)**  
**Secondary School Examination, 2026 (X<sup>th</sup>)**  
**SUBJECT NAME: INTRODUCTION TO FINANCIAL MARKETS (405)**  
**(Q.P. CODE /Set No:92/4)**

**General Instructions: -**

<b>1</b>	You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully.
<b>2</b>	<b>“Evaluation policy is a confidential policy as it is related to the confidentiality of the examinations conducted, evaluation done and several other aspects. Its leakage to public in any manner could lead to derailment of the examination system and affect the life and future of millions of candidates. Sharing this policy/document to anyone, publishing in any magazine and printing in Newspaper/Website, etc. may invite action under various rules of the Board and IPC.”</b>
<b>3</b>	Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one’s own interpretation or any other consideration. Marking Scheme should be strictly adhered to and religiously followed. <b>However, while evaluating, answers which are based on latest information or knowledge and/or are innovative, they may be assessed for their correctness otherwise and due marks be awarded to them. In Class-X, while evaluating two competency-based questions, please try to understand given answer and even if reply is not from marking scheme but correct competency is enumerated by the candidate, due marks should be awarded.</b>
<b>4</b>	The Marking scheme carries only suggested value points for the answers. These are in the nature of Guidelines only and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the due marks should be awarded accordingly.
<b>5</b>	The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day, to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. If there is any variation, the same should be zero after deliberation and discussion. The remaining answer books meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
<b>6</b>	Evaluators will mark ( $\sqrt{\phantom{x}}$ ) wherever answer is correct. For wrong answer CROSS ‘X’ be marked. Evaluators will not put right (✓) while evaluating which gives an impression that answer is correct and no marks are awarded. <b>This is most common mistake which evaluators are committing.</b>
<b>7</b>	If a question has parts, please award marks on the right-hand side for each part. Marks awarded for different parts of the question should then be totaled up and written in the left-hand margin and encircled. This may be followed strictly.
<b>8</b>	If a question does not have any parts, marks must be awarded in the left-hand margin and encircled. This may also be followed strictly.
<b>9</b>	If a student has attempted an extra question, answer of the question deserving more marks should be retained and the other answer scored out with a note <b>“Extra Question”</b> .
<b>10</b>	No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
<b>11</b>	A full scale of marks <b>50</b> has to be used. Please do not hesitate to award full marks if the answer deserves it.

12	Every examiner has to necessarily do evaluation work for full working hours i.e., 8 hours every day and evaluate 20 answer books per day in main subjects and 25 answer books per day in other subjects (Details are given in Spot Guidelines). This is in view of the reduced syllabus and number of questions in question paper.
13	<p>Ensure that you do not make the following common types of errors committed by the Examiner in the past :-</p> <ul style="list-style-type: none"> <li>• Leaving answer or part thereof unassessed in an answer book.</li> <li>• Giving more marks for an answer than assigned to it.</li> <li>• Wrong totaling of marks awarded on an answer.</li> <li>• Wrong transfer of marks from the inside pages of the answer book to the title page.</li> <li>• Wrong question wise totaling on the title page.</li> <li>• Wrong totaling of marks of the two columns on the title page.</li> <li>• Wrong grand total.</li> <li>• Marks in words and figures not tallying/not same.</li> <li>• Wrong transfer of marks from the answer book to online award list.</li> <li>• Answers marked as correct, but marks not awarded. (Ensure that the right tick mark is correctly and clearly indicated. It should merely be a line. Same is with the X for incorrect answer.)</li> <li>• Half or a part of answer marked correct and the rest as wrong, but no marks awarded.</li> </ul>
14	While evaluating the answer books if the answer is found to be totally incorrect, it should be marked as cross (X) and awarded zero (0) Marks.
15	Any unassessed portion, non-carrying over of marks to the title page, or totaling error detected by the candidate shall damage the prestige of all the personnel engaged in the evaluation work as also of the Board. Hence, in order to uphold the prestige of all concerned, it is again reiterated that the instructions be followed meticulously and judiciously.
16	The Examiners should acquaint themselves with the guidelines given in the “ <b>Guidelines for Spot Evaluation</b> ” before starting the actual evaluation.
17	Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totaled and written in figures and words.
18	The candidates are entitled to obtain photocopy of the Answer Book on request on payment of the prescribed processing fee. All Examiners/Additional Head Examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as given in the Marking Scheme.

**MARKING SCHEME**  
**INTRODUCTION TO FINANCIAL MARKETS (Subject Code-405)**  
**(PAPER CODE : 92) (M920405)**  
**CLASS X**

Q.No.	EXPECTED OUTCOMES/VALUE POINTS	Marks
	<b>SECTION – A: OBJECTIVE TYPE QUESTIONS</b>	
1.	<p>Answer any 4 out of given 6 questions on Employability Skills.</p> <p>i. (A) Specific feedback  ii. (B) Realistic  iii.(B) Ability  iv.(D) Check for expiry of antivirus software and renew.  v. (D) Fostering innovation and economic growth.  vi.(D) Space Research.</p>	<p>1  1  1  1  1  1</p> <p>4x1=4</p>
2.	<p>Answer any 5 out of given 6 questions.</p> <p>i. (D) Equities  ii. (A) Savings  iii. (C) Rights Issue  iv. (B) Providing liquidity and marketability for existing securities.</p> <p style="text-align: center;"><b>OR</b></p> <p>(C) Determining the pricing of securities.  <b><i>Any of the above options should be given full marks to examinee</i></b></p> <p>v. (B) They are standardized and traded on exchanges.  vi.(D) Both statements are true.</p>	<p>1  1  1  1</p> <p>1  1</p> <p>5x1=5</p>
3.	<p>Answer any 5 out of given 6 questions.</p> <p>i. (C) The use of funds for assets with the goal of generating future income or returns.  ii. (A) Both (A) and (R) are true and (R) is the correct explanation of (A).  iii. Listing refers to the <b><u>admission/permission/approval</u></b> of a company's securities for <b><u>trading/buy and sell/transactions</u></b> on a stock exchange.  iv.(C) INB  v. (C) Assists, regulates, or controls the business of buying, selling or dealing only in the commodity derivatives market.  vi. (A) Earning Per Share (EPS)</p>	<p>1  1  1</p> <p>1  1  1</p> <p>5x1=5</p>

4.	<p>Answer any 5 out of given 6 questions.</p> <p>i. (B) Real Assets.</p> <p>ii. (A) Statement 1 is true, but statement 2 is false.</p> <p>iii.(D) Bonus Shares</p> <p>iv.(D) Depository Participant</p> <p>v.(C) Yes, the number of shares held by investors <b>increased</b> in proportionate ratio in which a stock split.</p> <p>vi.(C) Four</p>	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>5x1=5</p>
5.	<p>Answer any 5 out of given 6 questions.</p> <p>i. (C) Open a demat account with a depository participant (DP) and dematerialise his shares before selling.</p> <p>ii. (A) Cut-off price</p> <p>iii. (B) Yes, bonds are assessed on their credit quality.</p> <p>iv. (C) Increased trading cost</p> <p>v. Pay-in day is the <b>settlement date</b> on which <b>brokers/trading members</b> deliver <b>securities or pay funds</b> to the <b>stock exchange/clearing house</b> after a trade is executed. It generally takes place on the <b>second working day</b> after the trade (T+2 settlement cycle). <i>(Any relevant definition)</i></p> <p>vi. (A) Both A and R are true and R is the correct explanation of A.</p>	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>5x1=5</p>
<b>SECTION – B: SUBJECTIVE TYPE QUESTIONS</b>		
	<b>Answer any 3 out of given 5 questions. Answer each question in 20-30 words.</b>	<b>3x2=6</b>
6.	<p>As there are various <u>stakeholders</u> like customers, employees, vendors, media etc, are always sending important information to each other.</p> <p>It has three important parts: -</p> <ol style="list-style-type: none"> <li>1. Transmitting</li> <li>2. Listening</li> <li>3. Feedback</li> </ol> <p><i>(Any other relevant answer)</i></p>	<p>1</p> <p>1</p> <p>1+1=2</p>
7.	<ol style="list-style-type: none"> <li>1. Self – awareness</li> <li>2. Responsibility</li> <li>3. Time Management</li> <li>4. Adaptability</li> </ol> <p><i>(Any four relevant point)</i></p>	<p>0.5 x 4=2</p>

8.	<ol style="list-style-type: none"> <li>1. Roll over or Hover</li> <li>2. Point and click</li> <li>3. Drag and drop</li> <li>4. Double click</li> </ol> <p><b>(Any four relevant points)</b></p>	0.5 x 4=2
9.	<p>(a) A career is a line/path of work/job that a person takes for life.</p> <p><b>(Any other relevant definition)</b></p> <p>(b) Two ways are:</p> <ol style="list-style-type: none"> <li>1. Self employment/ business</li> <li>2. Wage employment/ Profession</li> </ol> <p><b>(Any other relevant answer)</b></p>	<p>1</p> <p>1</p> <p>1+1=2</p>
10.	<p>To reduce inequalities we can:</p> <ol style="list-style-type: none"> <li>1. be helpful to one another</li> <li>2. be friendly with everyone</li> <li>3. include everyone while working or playing.</li> <li>4. help others by including everyone whether they are small or big, boy or girl, belonging to any class or caste.</li> </ol> <p><b>(Any four relevant points)</b></p>	0.5 x 4=2
	<b>Answer any 4 out of given 6 questions in 20-30 words each.</b>	<b>2x4=8</b>
11.	<p><b>Key advantages</b> of the book - building process within the NSE IPO system are:</p> <ol style="list-style-type: none"> <li>1. It provides a <b>nationwide bidding platform</b> for investors.</li> <li>2. It ensures a <b>fair and transparent price discovery process</b>.</li> <li>3. Bids are collected through an <b>electronic system</b>, reducing errors.</li> <li>4. It allows <b>quick and efficient allotment of shares</b>.</li> <li>5. Investors can <b>revise or modify their bids</b> during the bidding period.</li> <li>6. It increases <b>trust and transparency</b> in the IPO process.</li> </ol> <p><b>(Any two relevant points)</b></p>	1 x 2=2
12.	<p>A debenture is a long-term <b>debt instrument</b> issued by a private or public company to <b>raise capital</b>. It carries a <b>fixed rate of interest</b> and is repayable after a specified period called the <b>maturity period</b>.</p> <p><b>(Any other relevant definition)</b></p>	2

13.	<p>Two key services offered by Depository participants (DPs) to investors are:</p> <ol style="list-style-type: none"> <li><b>Dematerialisation (Demat)</b> Conversion of physical share certificates into electronic form and storing them in the investor's demat account.</li> <li><b>Rematerialisation (Remat)</b> Conversion of securities from electronic form back into physical share certificates at the request of the investor.</li> <li><b>Account Maintenance</b> Maintaining the investor's demat account and providing regular account statements and holding reports.</li> <li><b>Transaction Services</b> Facilitating buying, selling, and transfer of securities by crediting or debiting the investor's demat account.</li> </ol> <p><i>(Any two relevant points)</i></p>	<p>1 x 2=2</p>
14.	<p><b>Primary Risk:</b> <b>Counterparty Risk</b> – Risk that one party may not pay or deliver securities.</p> <p><b>How Clearing Corporations Reduce This Risk:</b></p> <ol style="list-style-type: none"> <li>They act as a <b>middleman</b> between buyer and seller.</li> <li>They collect <b>margin money</b> to cover possible losses.</li> <li>They adjust prices <b>daily</b> according to market changes.</li> <li>They keep a <b>Settlement Guarantee Fund</b> to complete settlement if someone fails.</li> </ol> <p><i>(Any two relevant points)</i></p>	<p>1</p> <p>1</p> <p>1+1=2</p>
15.	<p>Items are included in the liabilities sections of a company's balance sheet as follows</p> <ol style="list-style-type: none"> <li>Share Capital</li> <li>Reserves and Surplus</li> <li>Secured Loans</li> <li>Unsecured Loans</li> <li>Current Liabilities</li> <li>Short-Term Provisions</li> </ol> <p><i>(Any four relevant points)</i></p>	<p>0.5x4=2</p>
16.	<p>The long-term financial strength of a firm is assessed using Solvency Ratios or Capital Structure Ratios or Leverage Ratios.</p> <p>Various Capital Structure Ratios are as follows:</p> <ol style="list-style-type: none"> <li>Debt–Equity Ratio</li> <li>Debt–Asset Ratio</li> </ol>	<p>1</p> <p>1</p>







	<p>on the exchange.</p> <p><b>(Any two relevant points)</b></p>	2+2=4
20.	<p>(a) Various types of application of funds</p> <ol style="list-style-type: none"> <li>1. Fixed Assets</li> <li>2. Investments</li> <li>3. Current Assets, Loans and Investment</li> <li>4. Miscellaneous expenditure and the Losses.</li> </ol> <p>Explain any <b>one</b> type of Applications of Fund.</p> <p><b>Fixed Assets</b> These are <b>long-term assets</b> acquired for use in <b>business operations</b> and <b>not for resale</b>. <b>Examples:</b> Land, Building, Machinery, Furniture, Vehicles, Plant and Equipment.</p> <p><b>Investments</b> These are <b>financial securities</b> in which <b>surplus funds</b> are invested to <b>earn income</b> in the short term or long term. <b>Examples:</b> Shares, Debentures, Bonds, Mutual Funds, Fixed Deposits.</p> <p><b>Current Assets, Loans and Investment</b> These are <b>assets</b> that can be <b>converted into cash</b> during the normal course of business and are <b>held for a short-term period</b>. <b>Examples:</b> Cash, Debtors, Inventories, Prepaid Expenses, Bills Receivable.</p> <p><b>Miscellaneous expenditure and the Losses</b> These represent expenses such as preliminary expenses and pre-operative expenses that have not yet been written off.</p> <p>(b) <b>Application of Funds (Importance)</b></p> <ol style="list-style-type: none"> <li>1. Shows how effectively a company uses its money.</li> <li>2. Affects <b>business growth</b>.</li> <li>3. Influences <b>liquidity</b> (ability to meet short-term obligations).</li> <li>4. Builds <b>investor confidence</b>.</li> <li>5. Acts as an important <b>indicator of financial health</b>.</li> </ol> <p><b>(Any two relevant points)</b></p>	<p>3</p> <p>1</p> <p>3+1=4</p>

