TERM -1 EXAMINATION, 2026-27
INTRODUCTION TO FINANCIAL MARKETS (405)
MARKING SCHEME

Class: IX | **Time: 3hrs**
Date: 11/09/2026 | **Max Marks: 50**
Admission no: | **Roll no:**

SECTION-A ANSWER THE FOLLOWING QUESTIONS (24 X 1 = 24)

Q1. The process of exchanging information, ideas or feelings between two or more people is called:
(a) Communication (b) Negotiation
(c) Motivation (d) Delegation
Ans. (a) Communication

Q2. Which of the following is an example of non-verbal communication?
(a) Writing an email (b) Speaking on the phone
(c) Body language/gestures (d) Reading a book
Ans. (c) Body language/gestures

Q3. Which of the following is a common barrier to effective communication?
(a) Clear language (b) Noise/distraction
(c) Active listening (d) Proper feedback
Ans. (b) Noise/distraction

Q4. The ability to understand one's own strengths, weaknesses, emotions and values is known as
(a) Self-awareness (b) Time management
(c) Team work (d) Networking
Ans. (a) Self-awareness

Q5. Planning and organising how much time to spend on specific activities is called:
(a) Self-esteem (b) Time management
(c) Stress management (d) Communication
Ans. (b) Time management

Q6. Which of the following is a healthy way to manage stress?
(a) Skipping meals regularly (b) Regular exercise and adequate sleep
(c) Avoiding all responsibilities (d) Ignoring problems forever
Ans. (b) Regular exercise and adequate sleep

Q7. The system of exchanging goods and services directly for other goods and services, without the use of money, is called:
(a) Barter system (b) Banking system
(c) Credit system (d) Stock exchange
Ans. (a) Barter system

Q8. A major problem of the barter system was the:
(a) Lack of double coincidence of wants (b) Excess supply of money
(c) High bank interest rates (d) None of these
Ans. (a) Lack of double coincidence of wants

Q9. In simple terms, money can be defined as anything that is generally accepted as a medium of: *(Money – What it is)*
(a) Production (b) Exchange
(c) Consumption only (d) Storage of grains only
Ans. (b) Exchange

Q10. Coins made of metals such as gold, silver and copper are known as: *(Money Exchange System)*
(a) Paper money (b) Metallic money
(c) Plastic money (d) Digital money
Ans. (b) Metallic money

Q11. Credit cards and debit cards are examples of: *(Money Exchange System)*
(a) Commodity money (b) Metallic money
(c) Plastic money (d) Barter money
Ans. (c) Plastic money

Q12. Money transferred electronically through mobile banking or UPI apps, without any physical exchange of cash, is known as: *(Money Exchange System)*
(a) Commodity money (b) Digital money
(c) Metallic money (d) None of these
Ans. (b) Digital money

Q13. The characteristic of money that allows it to be easily carried from one place to another is: *(Key Characteristics of Money)*
(a) Durability (b) Portability
(c) Divisibility (d) Scarcity
Ans. (b) Portability

Q14. Money should be capable of being divided into smaller units without losing its value; this characteristic is called: *(Key Characteristics of Money)*
(a) Uniformity (b) Portability
(c) Divisibility (d) Acceptability
Ans. (c) Divisibility

Q15. Every unit of money of a given denomination should look and be valued exactly the same as every other unit; this characteristic is called: *(Key Characteristics of Money)*
(a) Durability (b) Uniformity
(c) Scarcity (d) Divisibility
Ans. (b) Uniformity

Read the following situation and answer Question No. 16: Ramesh prefers to save his money as currency notes rather than as perishable goods, because notes do not spoil or wear out quickly, and can be safely stored for a long time.

Q16. Which characteristic of money is being highlighted in this situation? *(Key Characteristics of Money)*
(a) Portability (b) Durability
(c) Divisibility (d) Acceptability
Ans. (b) Durability

Q17. The process of setting goals, assessing resources and creating a plan to achieve one's financial goals is called: *(What is Financial Planning)*
(a) Financial planning (b) Bartering
(c) Advertising (d) Production
Ans. (a) Financial planning

Q18. Which of the following is generally the first step in the financial planning process? *(What is Financial Planning)*
(a) Reviewing the plan (b) Setting financial goals
(c) Investing surplus funds (d) Preparing a final report only
Ans. (b) Setting financial goals

Q19. A statement showing the estimated income and expenditure of a person/family over a period of time is called a: *(What is Financial Planning)*
(a) Balance sheet (b) Budget
(c) Prospectus (d) Invoice
Ans. (b) Budget

Q20. *(What is Financial Planning)*
Assertion (A): Financial planning helps individuals achieve their short-term and long-term financial goals.
Reason (R): It involves assessing one's income and expenses, and creating a plan for saving and investing accordingly.
(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
Ans. (a) Both A and R are true, and R is the correct explanation of A

Q21. The money or value received by an individual or business in exchange for labour, services, or investment is called: *(What is Income)*
(a) Income (b) Expenditure
(c) Liability (d) Loss
Ans. (a) Income

Q22. Salary or wages received in exchange for work performed is an example of: *(What is Income)*
(a) Passive income (b) Earned income
(c) Portfolio income (d) None of these
Ans. (b) Earned income

Q23. Income earned from investments, such as dividends or interest, without active day-to-day involvement, is called: *(What is Income)*
(a) Earned income (b) Passive/Portfolio income
(c) Wages (d) Barter income
Ans. (b) Passive/Portfolio income

Read the following situation and answer Question No. 24: Anjali works as a school teacher and earns a fixed monthly salary. She also owns shares in a company, from which she receives dividends every year.

Q24. Which type of income does Anjali earn from her teaching job? *(What is Income)*
(a) Passive income (b) Earned income
(c) Portfolio income (d) None of these
Ans. (b) Earned income

SECTION B – Value Points (7 × 2 = 14 Marks)

Q25. What is communication? State any one type of verbal communication. *[2 Marks]*

(Communication Skills-I)

Ans. Meaning: Communication is the process of exchanging information, ideas, thoughts or feelings between two or more people. (1) Type of verbal communication: Oral communication (speaking) or written communication (e.g., letters, emails) – any one. (1)

Q26. State the meaning of self-management skills. Mention any one example of such a skill. *[2 Marks]*

(Self-Management Skills-I)

Ans. Meaning: Self-management skills refer to a person's ability to understand, control and regulate their own emotions, thoughts and behaviour in order to work effectively and achieve personal goals. (1) Example: Time management (also accept self-awareness, stress management). (1)

Q27. What is meant by the 'barter system'? State one limitation of it. *[2 Marks]*

(Money – What it is)

Ans. Meaning: The barter system is a method of exchange in which goods and services are directly exchanged for other goods and services, without the use of money. (1) Limitation: Lack of double coincidence of wants – both parties must simultaneously want what the other is offering (also accept: difficulty in storing value, no common measure of value). (1)

Q28. Differentiate between metallic money and paper money. *[2 Marks]*

(Money Exchange System)

Ans. Metallic money refers to coins made of metals such as gold, silver or copper, which historically had intrinsic value equal to their face value. (1) Paper money refers to currency notes printed and issued by the central bank/government, whose value is based on public trust/legal backing rather than the value of the paper itself. (1)

Q29. State any two characteristics of good money. *[2 Marks]*

(Key Characteristics of Money)

Ans. Any two of: Durability (does not wear out easily), Portability (easy to carry), Divisibility (can be divided into smaller units), Uniformity (identical units have identical value), Scarcity (limited supply), Acceptability (widely accepted as payment). (1 mark each)

Q30. What is meant by a 'budget'? Why is it useful in financial planning? *[2 Marks]*

(What is Financial Planning)

Ans. Meaning: A budget is a statement showing the estimated income and expenditure of a person/family over a specific period of time. (1) Usefulness: It helps a person plan, track and control their spending, ensuring that expenses do not exceed income and that funds are available for savings/goals. (1)

Q31. State the meaning of 'income'. Give one example of earned income. *[2 Marks]*

(What is Income)

Ans. Meaning: Income refers to the money or value received by an individual, household or business in exchange for labour, services rendered, or from investments, over a given period. (1) Example of earned income: Salary/wages received from a job (also accept business profit). (1)

SECTION C – Value Points (3 × 4 = 12 Marks)

Q32. Explain any four characteristics of good money, with a brief explanation of each. *[4 Marks]*

(Key Characteristics of Money)

Ans. (i) Durability – money should not wear out, decay or get damaged easily, so that it can be used for a long time. (1)

(ii) Portability – money should be easy to carry and transport from one place to another. (1)

(iii) Divisibility – money should be capable of being divided into smaller denominations without losing its value, to allow for transactions of varying sizes. (1)

(iv) Uniformity/Acceptability – all units of money of the same denomination must be identical in value, and money must be widely accepted as a medium of exchange. (1)

(Any four relevant characteristics; also accept Scarcity/Stability of value.)

Q33. Explain the meaning and importance of financial planning. State the steps involved in the financial planning process. *[4 Marks]*

(What is Financial Planning)

Ans. Meaning & Importance (2 marks): Financial planning is the process of setting financial goals, assessing one's income and resources, and preparing a plan to manage income, expenses, savings and investments in order to achieve those goals. It is important because it helps individuals use their money wisely, avoid unnecessary debt, prepare for emergencies, and achieve short-term and long-term financial goals such as education, buying a house, or retirement.

Steps (2 marks – any relevant steps): (i) Setting clear financial goals. (ii) Assessing current income, expenses and resources. (iii) Preparing a budget/savings-investment plan. (iv) Implementing the plan and periodically reviewing/revising it.

Q34. Explain the meaning of income and discuss any three sources/types of income, with examples. *[4 Marks]*
(What is Income)

Ans. Meaning (1 mark): Income refers to the money or value received by an individual, household or business, in return for labour, services rendered, or from investments made, over a specific period of time.

Sources/Types (3 marks – any three, 1 mark each): (i) Earned income – received in exchange for work performed, e.g., salary or wages from a job. (ii) Passive/Portfolio income – received from investments without active day-to-day involvement, e.g., interest on savings, dividends on shares, or rent from property. (iii) Business income – profit earned by an individual from running their own business or enterprise.

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