Punjab School Education Board
Trade: BFSI
Subject: FINANCIAL PRODUCTS AND SERVICES

Sample Paper 2025-26

Time Allowed: 3 Hours Maximum Marks: 40

General Instructions:

*(A) There are 22 questions in all. Students need to **attempt 20** questions.*

(B) This question paper has three parts: Part I, Part II, and Part III. All parts are compulsory.

(C) Structure of the Question Paper:

- ***Part I** contains 12 objective-type questions of 1 mark each. All questions are compulsory. The answer to each question should not exceed one sentence.*
- ***Part II** contains 7 short answer-type questions of 3 marks each. Students need to attempt any 6 questions. The answer to each question should not exceed 200 words.*
- ***Part III** contains 3 long answer-type questions of 5 marks each. Students need to attempt any 2 questions. The answer to each question should not exceed 350 words.*

PART I

***Q1–3:** MCQs – Write the correct option; **Q4–6:** Fill in the blanks **Q7–9:** True/False; **Q10–12:** Give one-word answers.*

Q1. If you borrow ₹10,000 at an interest rate of 8% per annum, how much interest will you pay after one year? *1 mark*

a. ₹800
b. ₹400
c. ₹8,000
d. ₹80

Q2. Which of the following situations best demonstrates appreciation? *1 mark*

a. A car loses value after purchase
b. A property doubling in value over 10 years
c. Paying off a loan gradually
d. A company selling off its assets

Q3. Harpreet needs to withdraw money quickly from his bank. The bank's ability to easily provide home cash by converting assets is called: *1 mark*

a. Solvency
b. Leverage
c. Profitability
d. Liquidity

Q4. __________ insurance covers legal liabilities arising from bodily injury or property damage caused to third parties. *1 mark*

Q5. __________ reduces the purchasing power of money over time. *1 mark*

Q6. The principle of __________ mentions that individuals are motivated to behave according to their prior commitments. *1 mark*

Q7. The insured is NOT a person or legal entity whose financial losses are covered by the insurance policy. (True/False) *1 mark*

Q8. Financial inclusion aims to benefit ONLY the wealthy individuals in society. (True/False) *1 mark*

Q9. UPI transactions can ONLY be made during banking hours (True/False) *1 mark*

Q10. Which group (larger corporations, women and SC/ST entrepreneurs/government employees) is most likely to benefit from the Stand Up India Scheme? *1 mark*

Q11. What kind of agencies work on behalf of lenders and are paid a commission for their services? *1 mark*

Q12. If you take a car loan, what is your monthly payment called? *1 mark*

PART II

*This section contains 7 questions. Students are required to **attempt any 6**. The answer to each question should not exceed one page.*

Q 13. What are three key benefits of opening a Fixed Deposit account in a bank? *3 marks*

Q 14. State one difference between a loan and an overdraft. Which one would you prefer when starting a long-term business expansion? *3 marks*

Q 15. Explain how UPI has changed customer behaviour compared to older digital payment systems like NEFT or RTGS. *3 marks*

Q 16. Rohan and Suresh are two friends of 30 years old, yet their insurance premiums are different. Give any two reasons why two people of the same age might pay different insurance premiums. *3 marks*

Q 17. Jaspreet works as a salesman in a furniture shop. He does not get a fixed salary but earns only when he sells something. The shop owner gives him 5% on every sale he makes. Explain the type of commission briefly. *3 marks*

Q 18. Banks and financial organisations use different ways to recover money from borrowers. Mention the three methods of debt collection. Explain any one of them. *3 marks*

Q 19. Uma took a loan with monthly repayments of ₹4,000 for 2 years. If she is charged 10% interest annually, calculate the extra amount she pays beyond the principal. *3 marks*

PART III

*This section contains 3 questions. Students are required to **attempt any 2**. The answer to each question should not exceed one page.*

Q 20. Draw a flow chart of the debt collection process and explain the first 3 steps briefly. *5 marks*

Q 21. What are the key barriers to financial inclusion? Mention any two and suggest one solution to overcome each of these barriers. *5 marks*

Q 22. Case Study: *2+1+1+1 =5 marks*

Ajay is a 24-year-old from Punjab who has recently started his first job as an IT professional. After receiving his first salary, he was excited to spend all the money within a week. However, later, he began to worry about his future expenses, realising that he might face financial difficulties without proper planning. Ajay discussed his concerns with his family and friends and asked for a solution. They suggested he start investing his money. Ajay followed their advice and researched various investment options. He finally decided to invest in mutual funds, as his main financial goal is to save money for buying a house in 5 years. However, being new to mutual funds, Ajay had some doubts regarding the process.

Questions based on the Case Study: *2 marks*

1. What are the benefits that Ajay can get upon investing in mutual funds? Mention any two. *1 mark*
2. Mention one type of mutual fund that Ajay should consider based on his financial goals. *1 mark*
3. If Ajay later wants to build a retirement fund, which type of mutual fund should he choose? *1 mark*
4. State in brief how SEBI helps to protect mutual fund investors.

—End of Paper—