Social Science

Practice Test Paper 1

Understanding Society: India and Beyond

(Part 2 | Chapter 5: Managing Your Personal Finances)

Class IX

Time Allowed: 45 Minutes | Maximum Marks: 25

General Instructions

1. All 13 questions are compulsory. The paper has four sections: A, B, C and D.
2. Section A - 5 marks; Section B - 8 marks; Section C - 9 marks; Section D - 3 marks.
3. Choose one correct option in Section A. Write clear, relevant answers in Sections B, C and D.
4. Study the images and graphs carefully before answering the related questions.

SECTION A

(5 questions × 1 mark = 5 marks)

1. Money received for products sold or services provided is called:

(A) Income
(B) Debt
(C) Premium
(D) Tax

2. Which pillar of personal finance is most directly shown in this photograph?



(A) Borrowing
(B) Saving
(C) Taxation
(D) Insurance

3. Buying shares makes an investor a:

(A) Tax collector
(B) Bank employee
(C) Part-owner of a company
(D) Borrower from a company

4. Which of these is an indirect tax?

(A) Personal income tax
(B) Tax on company profits
(C) Tax on annual earnings
(D) Goods and Services Tax

5. The regular payment made to an insurance company is a:

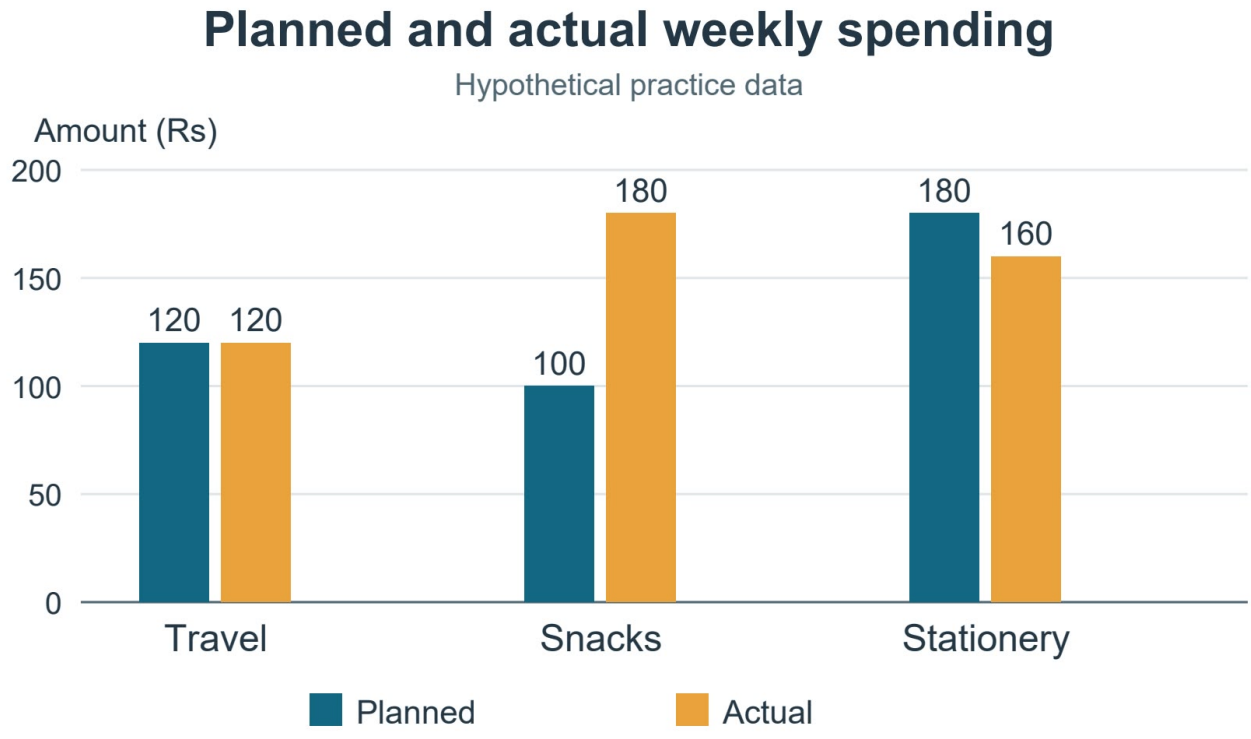
(A) Dividend
(B) Premium
(C) Principal
(D) Tax slab

SECTION B

(4 questions × 2 marks = 8 marks)

6. Meera says, "I want to save for a bicycle." Add two details that would turn this into a clear financial goal.

7. Compare the planned and actual spending below. Which category exceeded its budget, and by how much did total spending exceed the total plan?



8. Why is cash usually more suitable than a plot of land for meeting an expense due tomorrow? Give two reasons.

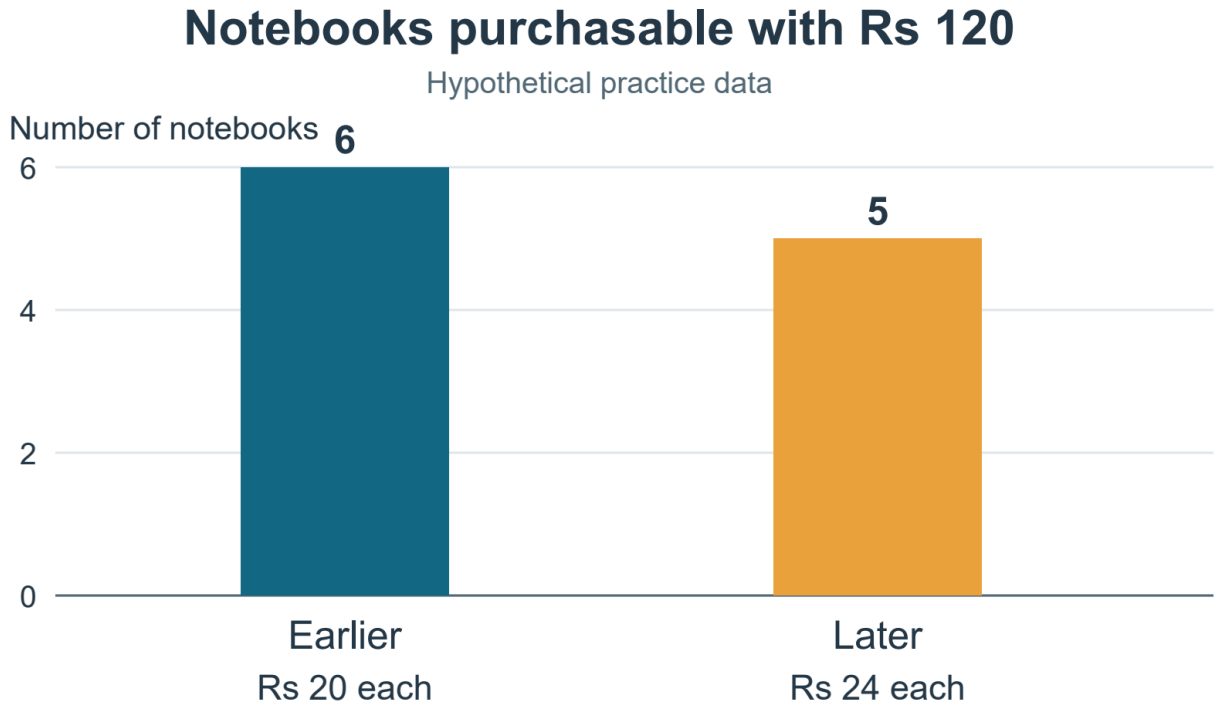
9. Distinguish government bonds from corporate bonds in terms of the borrower and relative safety.

SECTION C

(3 questions × 3 marks = 9 marks)

10. Explain three ways in which managing personal finances can help someone planning to buy a house in five years.

11. Use the graph to find the fall in the number of notebooks that ₹120 can buy. Explain what happened to purchasing power and why keeping the same cash amount did not prevent this change.



12. A family has paid insurance premiums for years without making a claim. Give three reasons why this does not make insurance pointless.

SECTION D

(Application Based Question - 3 marks)

13. Ravi has ₹3,000 for school purchases. Essential books, uniform and stationery cost ₹2,750. He also wants a decorative accessory costing ₹400.

(i) How much would all these purchases cost?

(ii) Which purchase should he postpone to remain within his budget?

(iii) How much money would then remain?