Social Science

Practice Test Paper 2

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. Which insurance would most directly help meet the medical bill in this scene?



(A) Crop insurance
(B) Motor insurance
(C) Health insurance
(D) Cattle insurance

2. A student receives ₹500 and sets aside ₹100 before spending. How much remains available for expenses?

(A) ₹100
(B) ₹400
(C) ₹500
(D) ₹600

3. Which body administers the laws relating to direct taxes in India?

(A) CBDT (B) BSE

(C) A mutual fund (D) A post office

4. A tax system that applies higher rates to higher income ranges is called:

(A) An insurance pool (B) A fixed deposit

(C) A dividend system (D) Progressive taxation

5. Which option is designed to provide a fixed interest rate for a specified deposit period?

(A) A company share (B) A fixed deposit

(C) A mutual fund unit (D) Cash in a drawer

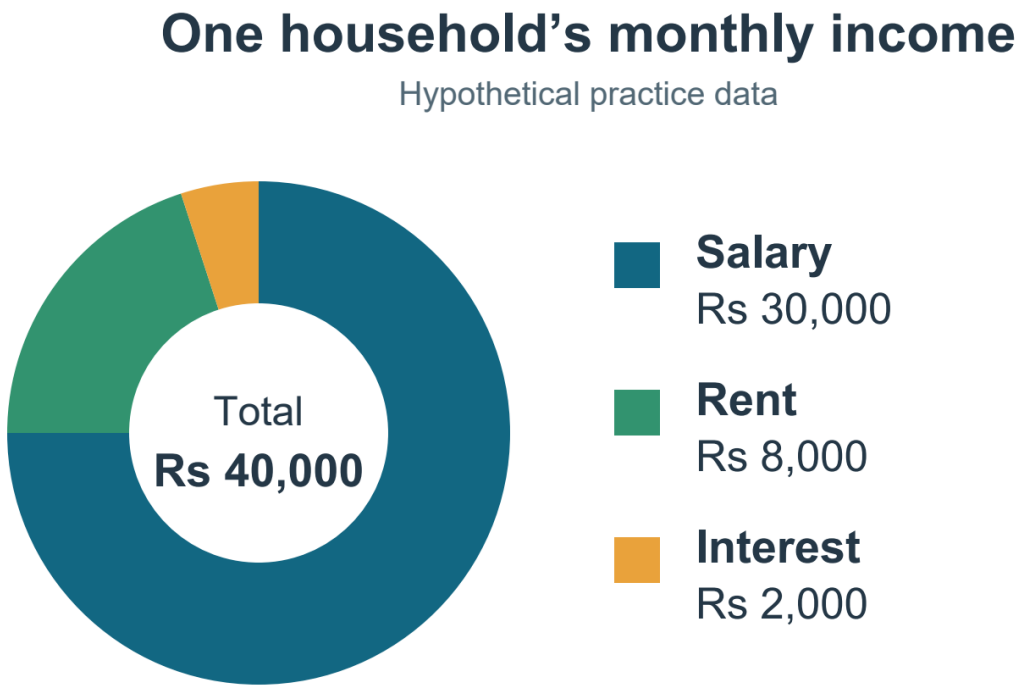
SECTION B

(4 questions × 2 marks = 8 marks)

6. Give one example each of regular income and occasional income, and explain the difference.

7. State two benefits of an "Earn While You Learn" programme other than receiving money.

8. Read the income chart. How much comes from sources other than salary, and what fraction of the total does this represent?



9. Name and explain the two ways in which a shareholder may earn a return.

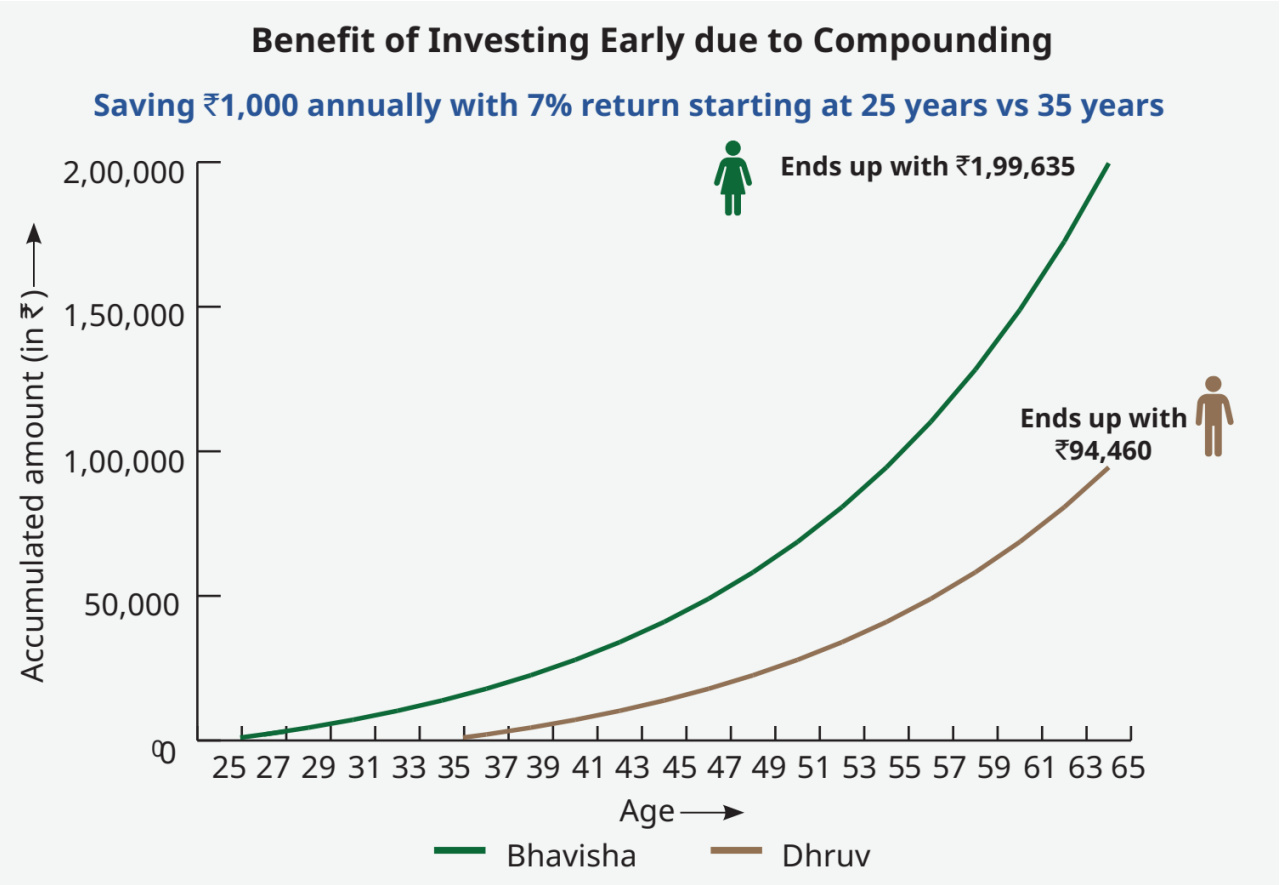
SECTION C

(3 questions × 3 marks = 9 marks)

10. A friend says, "An investment that earned well last year cannot lose money this year." Explain three reasons for rejecting this claim about shares.

11. Identify the suitable insurance for each situation: hospital treatment, loss of the family breadwinner, and fire damage to a shop. State what each protects.

12. Compare the two investment curves. Who began earlier, why does her final amount become larger, and why do the curves grow steeper with time?



SECTION D

(Application Based Question - 3 marks)

13. Many investors place money in a fund. A professional chooses a mixture of shares and bonds. During a poor market period, the value of the fund falls.

(i) What type of investment is this?

(ii) Who decides where the pooled money is invested?

(iii) Why can investors lose money despite professional management?