B.C.M.SCHOOL,BASANT AVENUE, LUDHIANA

IX IFM Ans.Key Dec.Assignment

Ans 1:B. Investing a fixed, predetermined amount of money at regular intervals (e.g., monthly) into a chosen investment

Ans 2:Disposable or surplus

And 3:Financial or real (tangible)

Ans 4:True

Ans 5:False

Ans 6:The act of buying an asset with the expectation of making a quick profit from a significant change in its price over a short period, involving a high degree of risk.

Ans 7:The principle that an amount of money today is worth more than the identical sum in the future due to its potential earning capacity (return/interest) over time and the effect of inflation.

Ans8:To achieve financial goals, to generate returns that beat inflation, and to benefit from the power of compounding.

Ans 9Savings focus on short-term needs and low risk/low returns (e.g., bank accounts), while investment focuses on long-term wealth creation, involving higher risk and the potential for higher returns (e.g., stocks, mutual funds).

Ans 10;Definitions:

Debentures: A long-term debt instrument issued by companies to raise capital, promising a fixed interest rate and repayment of principal at maturity. They are typically unsecured.

ETFs (Exchange-Traded Funds): Investment funds that hold a basket of assets and are bought and sold on a stock exchange like a regular stock, offering diversification and high liquidity.

GDRs (Global Depository Receipts): Certificates issued by a depository bank that represent shares of a foreign company, allowing the company to raise capital in international markets.

Mutual Funds: A financial vehicle that pools money from many investors to purchase a diversified portfolio of securities, professionally managed by a fund manager.