

BANK TESTS

LIFE IS EASY HERE

IBPS PO Mains Memory based 2016 (English)

Directions (Q. 101-105) : Read the following passage carefully and answer the questions given below it.

The finance ministry on Monday said the Union budget would be growth-oriented, implicitly signaling that it will address the investment crisis in the Indian economy.

“Given the fiscal constraints and other parameters under which the government has to function, the effort of the government is to present a budget which is growth-oriented, that maintains the momentum of growth and tries to develop on it,” economic affairs secretary Shaktikanta Das said in an interview with DD News uploaded on YouTube on Monday.

According to Das, the budget will also detail new measures to support ongoing programmes such as Start-up India, Standup India, Make In India, Digital India and the Skill mission – all of which have a strong focus on creating jobs. Finance minister ArunJaitley will be presenting his third budget on 29 February at a time when private investment has dried up and the exchequer has had to incur higher expenditure due to implementation of the One Rank One Pension scheme for the armed forces and the recommendations of the Seventh Pay Commission.

That may cramp the government’s ability to accelerate public investment to revive economic growth while sticking within the confines of its fiscal deficit targets. Some parts of the government believe that the emphasis should be on growth and not fiscal consolidation. Other parts, and the Reserve Bank of India, believe the finance minister should adhere to his fiscal commitments made in the last budget.

Without revealing whether the government will digress from the path of fiscal consolidation, Das said the government’s priority is to take a balanced view on “the expenditure requirement to keep our growth momentum and to what extent we can borrow’. Care Ratings chief economist MadanSabnavis said the government has to increase its allocation for public investment on infrastructure to stimulate growth. “I expect government to spend Rs.10,000-20,000 crore additional amount on infrastructure. Given nominal GDP (gross domestic product) is not expected to expand significantly, the leeway for the government to spend more may not be there while keeping fiscal deficit within 3.7-3.9% of GDP. So I don’t expect a big-bang push for infrastructure spending given the fiscal constraint,” he said.

The finance ministry revealed more contours of its budget when minister of state for finance JayantSinha, also in an interview to DD News, said the four pillars of the budget will be poverty eradication, farmers’ prosperity, job creation and a better quality of life for all Indian citizens. “This budget will be a forward looking budget that will ensure that India will continue to be a haven of stability and growth in a very turbulent and choppy global economic environment,” he added.

The government has been contemplating tax incentives to companies in the manufacturing sector, including tax deductions on emoluments paid to new employees, to encourage firms to step up hiring and create jobs under its Make in India initiative. The government published suggestions that it has received internally from various government departments and other stakeholders on the mygov.in website, seeking further ideas and comments from the public. Suggestions being considered by the government include financial incentives, tax incentives under the Income Tax Act, 1961, and subsidies for equipping employees with job skills, and upgrading and improving employment exchanges. Another suggestion is to expand the scope of the tax deduction currently available to companies that add at least 10% to their workforce in a year by lowering the threshold. This incentive is available only in cases of employees who earn less than Rs.6 lakh a year.

(The topic of the Passage asked in the exam was based on Infrastructure Investment)

Q101. What is the main objective of the government to create the Union Budget?

- (a) It should meet the requirements of the society.
- (b) It should be under some fiscal constraints.
- (c) It should be growth oriented.
- (d) It should meet the requirements of a developed country.
- (e) It should change the momentum of growth.

Q102. Where is it expected to invest by government to stimulate growth?

- (a) On infrastructure
- (b) On governments plans.
- (c) On fiscal management
- (d) On manufacturing sector
- (e) On social development.

Q103. What does this mean that India will continue to be a “haven of stability “?

- (a) That new budget will make India stable forever.
- (b) The four pillars of budget will lead to make stability.
- (c) India will continue towards stability even in disturbed economic environment.
- (d) The budget will remain unchanged even in turbulent and choppy economic environment.
- (e) None of the above

Q104. Why is the government providing tax incentive to companies in manufacturing sector?

- (a) For better infrastructure.
- (b) For tax deductions on emoluments paid to new employees,
- (c) To create new job opportunities and to initiate project 'Make in India'
- (d) to create new job opportunities and to initiate project Standup India.
- (e) to encourage firms to step up hiring new skilled employees

Q105. Which one of the following is NOT the suggestion considered by the government?

- (a) To expand the scope of tax deduction to companies that add at least 10% to their workforce in a year.
- (b) To upgrade and improve employment exchange.
- (c) To provide incentive to employees who earn less than Rs.6 lakh a year.
- (d) Subsidies to train employees with job skills.
- (e) Tax penalty for high income people.

Directions (Q. Nos. 106-110): Read the following passage carefully and answer the questions given below it.

The alarm bells should start ringing any time now. An important component of the economy has been sinking and needs to be rescued urgently. This critical piece is 'savings' and, within this overall head, household savings is the one critical subcomponent that needs close watching and nurturing.

While it is true that one of the primary reasons behind the current economic slowdown is the tardy rate of capital expansion - or, investment in infrastructure as well as plant and machinery - all attempts to stimulate investment activity are likely to come to naught if savings do not grow. Without any growth in the savings rate, it is futile to think of any spurt in investment and, consequently, in the overall economic growth. If we source all the investment funding from overseas, it might be plausible to contemplate investment growth without any corresponding rise in savings rate. But that is unlikely to happen.

Within the overall savings universe, the subcomponent 'household savings' is most critical. It provides the bulk of savings in the economy, with private corporate savings and government saving contributing the balance. The worrying factor is the near-stagnation in household savings over the last eight years or so. What's even more disconcerting is the fact that household savings remained almost flat during the go-go years of 2004-08.

This seems to be counter-factual. There are many studies that show that there is a direct relationship between overall economic growth and household savings. So, at a time when India's GDP was growing by over 9% every year, the household savings rate stayed almost constant at close to 23% of GDP. There was, of course, an increase in absolute terms, but it remained somewhat fixed as a proportion of GDP.

What is responsible for this contradictory movement? The sub-group on household savings, formed by the working group on savings for the 12th Plan set up by the Planning Commission and chaired by RBI deputy governor SubirGokarn, has this to say, "...a recent study had attributed the decline in the household saving ratio in the UK during 1995-2007 to a host of factors such as declining real interest rates, looser credit conditions, increase in asset prices and greater macroeconomic stability...

While recognising that one of the key differences in the evolving household saving scenario between the UK and India is the impact of demographics (dependency ratio), anecdotal evidence on increasing consumerism and the entrenchment

of (urban) lifestyles in India, apart from the easier availability of credit and improvement in overall macroeconomic conditions, is perhaps indicative of some 'drag' on household saving over the last few years as well as going forward." India has another facet: a penchant for physical assets (such as bullion or land). After the monsoon failure of 2009, and the attendant rise in price levels that has now become somewhat deeply entrenched, Indians have been stocking up on gold. Consequently, savings in financial instruments dropped while those in physical assets shot up. This is also disquieting for policy planners because savings in physical assets stay locked in and are unavailable to the economy for investment activity. There is a counter view that higher economic growth does not necessarily lead to higher savings. According to a paper published by Ramesh Jangili (Reserve Bank of India Occasional Papers, Summer 2011), while economic growth doesn't inevitably lead to higher savings, the reciprocal causality does hold true. "It is empirically evident that the direction of causality is from saving and investment to economic growth collectively as well as individually and there is no causality from economic growth to saving and (or) investment." Whichever camp you belong to, it is beyond doubt that savings growth is a necessary precondition for promoting economic growth. The Planning Commission estimates that an investment of \$1 trillion, or over 50 lakh crore, will be required for the infrastructure sector alone. And, a large part of this critical investment will have to be made from domestic savings.

(The topic of the Passage asked in the exam was based on Informal Economy to formal Economy)

Q106. What is the main concern of the author behind saying that 'the alarm bells should start ringing anytime now'?

- (a) The current economic growth is slowing down due to regular failure of monsoon.
- (b) Due to power shortage industrial growth could not touch the target.
- (c) Household savings are sinking and they require to be revamped.
- (d) Due to a sharp decline in real interest rates people have lost their enthusiasm to invest in govt schemes.
- (e) All the above

Q107. What is/are the primary reasons behind the current economic slowdown?

- (A) Slow rate of capital expansion
- (B) Tardy investment in infrastructure as well as plant and machinery
- (C) A rapid increase in the cases of corruption, and decreased FDI
- (a) Only (A) (b) Both (A) and (B)
- (c) Either (A) or (C) (d) Both (B) and (C)
- (e) All (A), (B) and (C)

Q108. How is household savings related to overall economic growth? Give your answer in the context of the passage?

- (A) Overall economic growth is directly related to household savings.
- (B) Overall economic growth is inversely proportional to household savings.
- (C) There is no specific relationship between overall economic growth and household savings.
- (a) Only (C) (b) Only (B)
- (c) Only (A) (d) Either (A) or (B)
- (e) Either (A) or (C)

Q109. What was/were the reason(s) of drop in savings in financial instruments after 2009?

- (a) Rise in price level of gold
- (b) Decrease in real interest rates on savings in financial instruments
- (c) Investment in physical assets, particularly land
- (d) Only (a) and (c)
- (e) Only (b) and (c)

Q110. Which of the following is/are the reasons of a drag on household savings in India over the last few years?

- (a) Increasing consumerism
- (b) Entrenchment of urban lifestyle
- (c) Easier availability of credit
- (d) Improvement in overall macroeconomic conditions
- (e) All the above

Directions (Q. 111-115): In each of the following questions five options are given, of which one word is most nearly the same or opposite in meaning to the given word in the question. Find the correct option having either same or opposite meaning.

Q111. Prodigy

- (a) Pauper
- (b) Despondent
- (c) Demure
- (d) Wanton
- (e) Epitome

Q112. Nondescript

- (a) Conducive
- (b) Discern
- (c) Tantamount
- (d) Defined
- (e) Emancipate

Q113. SAVANT

- (a) Glutton
- (b) Postulant
- (c) Shrink
- (d) Pluck
- (e) Itinerant

Q114. CORPULENT

- (a) Lean
- (b) Gaunt
- (c) Emaciated
- (d) Obese
- (e) Nobble

Q115. EMBEZZLE

- (a) Misappropriate
- (b) Balance
- (c) Remunerate
- (d) Clear
- (e) Perfection

Directions (116-120): Which of the pair of phrases (a), (b), (c) and (d) given below should replace the phrase given in bold in the following sentence to make the sentence grammatically meaningful and correct? If the sentence is correct as it is and no correction is required, mark (e) as the answer.

Q116. According to author Dishantgautam, a novel is **difficult** to write when compared to a play is like **going for** an election where one has to appeal to a thousand people at a time whereas in a book one appeals to one only person.

- (a) simpler, running in
- (b) faster, voting through
- (c) easier, running for
- (d) fool proof, voting on
- (e) No correction required

Q117. We have in America a **collection** speech that is neither American, Oxford English, nor colloquial English, but a **mixture** of all three.

- (a) motley, an enhancement
- (b) hybrid, a combination
- (c) nasal, a blend
- (d) mangled, a medley.
- (e) No correction required

Q118 .Alice Walker’s The Temple of My Familiar, far from being a tight, **focused** Narrative, is instead a **cheaper** novel that roams freely and imaginatively over a halfmillion

- (a) traditional , a chronological
- (b) provocative , an insensitive
- (c) forceful , a concise
- (d) focused , an expansive
- (e) circuitous , a discursive

Q119. Jayashree was habitually so docile and **erratic** that her friends could not understand her sudden **hostile** her employers.

- (a) accommodating...outburst against
- (b) erratic...envy of
- (c) truculent...virulence toward
- (d) hasty...annoyance toward
- (e) apologetic...hostile

Q120. The village headman was unlettered, but he was no fool, he could see through the **mystery** of the businessman's proposition and promptly **moved** him down.

- (a) deception, forced
- (b) naivete, turned
- (c) potential, forced
- (d) sophistry, turned
- (e) No correction required

Directions (Q121-125): In each of the following questions a short passage is given with one of the lines in the passage missing and represented by a blank . Select the best out of the five answer choices given , to make the passage complete and coherent (coherent means logically complete and sound).

Q121. The Time Traveler (for so it will be convenient to speak of him) was expounding a recondite matter to us. His grey eyes shone and twinkled, and his usually pale face was flushed and animated. The fire burned brightly, and the soft radiance of the incandescent lights in the lilies of silver caught the bubbles that flashed and passed in our glasses. Our chairs, being his patents, embraced and caressed us rather than submitted to be sat upon, and there was that luxurious after-dinner atmosphere when thought roams gracefully free of the trammels of precision. (_____)

- (a) And slowly and steadily, the atmosphere grew stale and lost all the vibrancy it had
- (b) And he put it to us in this way—marking the points with a lean forefinger—as we sat and lazily admired his earnestness over this new paradox (as we thought it) and his fecundity
- (c) We sat like toddlers do in a nursery, eagerly anticipating the show the Time Traveler would put on for us
- (d) We sat benumbed by the proceedings, for the radiance of the Time Traveler was unimaginable and unbearable
- (e) I caught Filby's eye over the shoulder of the Medical Man, and he winked at me solemnly.

Q122. Let us understand the definition of metaphysics, a purely speculative science, which occupies a completely isolated position and is entirely independent of the teachings of experience. It deals with mere conceptions--not, like mathematics, with conceptions applied to intuition--and in it, reason is the pupil of itself alone. It is the oldest of the sciences. (_____)

- (a) And it would struggle to survive without the architecture of mathematical support that it draws its strength from
- (b) Yet it continued to baffle mankind because of its abstractions
- (c) But it has never had and never will have the good fortune to attain to the sure scientific method
- (d) And it would still survive, even if all the rest were swallowed up in the abyss of an all-destroying barbarism
- (e) This critical science is not opposed to the dogmatic procedure of reason in pure cognition; for pure cognition must always be dogmatic

Q123. However, it is possible that the non -resident entity may have a business connection with the resident Indian entity. In such a case, the resident Indian entity could be treated as Permanent Establishment of the nonresident entity.During the last decade or so, India has seen a steady growth of outsourcing of business processes by non residents or foreign companies to IT -enabled entities in India. Such entities are either branches or associated enterprises of the foreign enterprise or an independent India enterprise. The nonresident entity or foreign company will be liable to tax in India only if the IT -enabled BPO unit in India constitutes its Permanent Establishment.

- (a) The tax treatment of the Permanent Establishment in such a case is under consideration
- (b) How the profit would be shared is not decided yet?
- (c) A lengthy and cumbersome process requiring a lot of application of mind and revenue principles is ahead for the tax department of India
- (d) A new trend is seen in last decade.
- (e) Indian companies have a lot on stake as competition increases.

Q124. Aggregation of risks is somewhat quite new to banks in India. While some banks have started thinking in that line by trying to put integrated limits framework and integrated risk policies as well as using CBS solutions for technological integration, the effort required is beyond such requirement. Risk aggregation would mean aggregating the individual risk measures to decide most appropriate assets class that would contain the risk to the desired level dictated by the risk appetite. Capital allocation (about how much) would be based on such strategies.....

- (a) Most banks are yet to conceptualize the same in their processes
- (b) Most banks have already integrated it in their functioning; it is working over the years satisfactorily.
- (c) Which would in long run prove to be the growth impeding
- (d) Of risk aggregation which is really a new concept to Indian banks
- (e) On expected lines of the regulation conditions laid down in the manual of the bank

Q125. After two years, high inflation moderated in the later part of 2011-12 in response to past monetary tightening and growth deceleration. High inflation had adverse consequences on welfare and on saving and investment, particularly household saving in financial assets. The most serious consequence of inflation is As growth slowed down, in part due to high inflation, it further reduced the welfare of the common man through adverse impact on employment and incomes.

- (a) its destructive allocation impact on the industries that were lately coming up.
- (b) its negative impact on the rich and high-profile people.
- (c) its adverse distributional impact on the poor, people without social security and pensioners.
- (d) its wayward consequences on the public distribution system meant for the poor.
- (e) its unfavourable bearing on day to day commodities that are used by the common man.

Direction (126-130); Select the phrase/connector from the given three options which can be used to form a single sentence from the two sentences given below, implying the same meaning as expressed in the statement sentences.

Q126. RBI is concerned about the risk of investing in mutual funds. RBI is likely to ask banks to reduce their investments in mutual funds.

- (A) At the risk of investing
- (B) To reduce investments
- (C) Concern for the risk
- (a) Only (A) (b) Only (B)
- (c) Only (C) (d) Only (A) and (B)
- (e) None of these

Q127. Twelve million youth enter the Indian work force every year. Eighty per cent of these youth are unskilled.

- (A) While eighty per cent
- (B) Since twelve million
- (C) Of the twelve million
- (a) Only (A) (b) Only (C)
- (c) Only (A) and (C) (d) All (A), (B) and (C)
- (e) None of these

Q128. Food inflation is touching twenty per cent. The government will have to tighten monetary policy to prevent further rise.

- (A) Although food inflation is
- (B) With the tightening of monetary
- (C) Given that food inflation
- (a) Only (A) (b) Only (B)

- (c) Only (C) (d) Only (A) and (B)
(e) None of these

Q129. The government has decided to install renewable energy devices at prominent sites. Citizens will be more aware of their benefits.

- (A) The government's decision
(B) Deciding to instal
(C) By making citizens
(a) Only (A) (b) Only (A) and (B)
(c) Only (B) (d) Only (C)
(e) None of these

Q130. The company's sales were low at the beginning of the year. Its sales have picked up in the past few months.

- (A) Though the company's sales were low
(B) Despite low sales at
(C) However the company's sales have picked
(a) Only (A) (b) Only (A) and (B)
(c) All (A), (B) and (C) (d) Only (B) and (C)
(e) None of these

Directions (Q131-135) Five statements are given below, labelled a, b, c, d and e. Among these, four statements are in logical order and form a coherent paragraph /passage. From the given options, choose the option that does not fit into the theme of the passage.

Q131.

- (a) The reference was to China, a country that has been courting Pakistan for several years through a number of means including assistance in its nuclear programme.
(b) After the Uri attacks, Pakistan's special Kashmir envoy Mushahid Hussain Syed declared that the US was a waning power, suggesting that Pakistan was seeking out other allies.
(c) The most important concern relates to the possible conflict in Pakistan between votaries of economic development and supporters of militancy.
(d) This corridor—which includes road, rail and port infrastructure—is expected to allow China to avoid the vulnerable Indian Ocean route currently used to transport oil from the Gulf.
(e) Of late, there has been much talk of the China-Pakistan Economic Corridor (CPEC) that stretches from the autonomous region of Xinjiang to the Gwadar port.

Q132.

- (a) India recently ratified the Paris Agreement, assuring it a seat at the 55/55 table
(b) ratification by at least 55 countries and accounting for at least 55% of global greenhouse gas (GHG) emissions was required for the agreement to come into force
(c) where countries will negotiate the mechanisms and provisions under the agreement.
(d) With the ratification, India has demonstrated leadership in climate negotiations but left some with concerns about signing an agreement without realizing its full implications.
(e) There are certain targets India wants to achieve and to achieve that there is a need to allocate mitigating burden among states and also prioritize adaptation efforts.

Q133.

- (a) Corporate Social Responsibility has entered India's legal corridors.
(b) Given the need for proper legal help for a diverse section of society even the PM, in his address at the Bar Council's centenary celebrations earlier this year, urged lawyers to take on more pro bono cases.
(c) Top law firms and lawyers are doing pro bono so that they can give back to society.
(d) In India, traditionally, pro bono legal work was carried out by lawyers who had dedicated themselves to helping society.
(e) There are a number of socially aware and generous souls who are increasingly lending their expertise for pro bono work.

Q134.

- (a) A look at the historical data on forecasts made by the IMF in its World Economic Outlook (WEO) reports seems to suggest that optimism bias may be the bigger culprit.
- (b) The large negative forecast errors in the recession years skewed the historical averages.
- (c) Over the past few years, the growth forecasts made by the International Monetary Fund (IMF) have displayed one consistent pattern
- (d) the forecasts are rosy at the start of the year, then revised downwards towards the end of the year, and the actual estimates of real growth turn out to be even lower.
- (e) Has predicting the fate of the global economy become more difficult in a volatile post-crisis world, or does the IMF suffer from an inherent optimism bias?

Q135.

- (a) India has 13 of the 20 most polluted cities in the world, according to the World Health Organization.
- (b) The government should redouble its efforts to combat climate change, which will naturally slash not just greenhouse-gas emissions but particulates as well.
- (c) Every year, more than half a million people are estimated to die prematurely because of air pollution.
- (d) While air quality tends to worsen around this time of year as millions of Indians light firecrackers to celebrate the Diwali festival, the problem isn't limited by season or geography.
- (e) This week, air pollution in New Delhi has been truly off the charts: Tiny particulates, which are especially deadly, topped 999 micrograms per cubic meter—40 times what is considered safe and beyond what the scale was designed to measure.

Direction (136-140); Please select the most appropriate option, out of the five options given for each of the following sentences, which, in your view, should be grammatically and structurally correct. Please note that the meaning & context of the sentence must not change.

Q136.

- (a) Although I already knew the answer and he invited me to visit him often, since I just have seen her in the square, I was never determined to yield this point.
- (b) Although I have already known the answer and he invited me to visit him often but since I just have seen her in the square, I was not determined to yield this point.
- (c) Although I knew the answer already, and he has often invited me to visit him, since I just have seen her in the square, I am never determined to yield this point.
- (d) Although I already know the answer and he often invited me to visit him , since I have just seen her in the square, I am determined never to yield this point.
- (e) None is true.

Q137.

- (a) If I have enough money I would have backpack around Europe. But unfortunately I was broken.
- (b) If I have had enough money, I would have done backpack around Europe. But, unfortunately I am broke.
- (c) If I had enough money I would backpack around Europe. But, unfortunately I am broke.
- (d) If I have enough money I would backpack around all over the Europe. But unfortunately I am broke.
- (e) None is true.

Q138.

- (a) The judges finally distributed the awards among the most active children talking at length among themselves.

- (b) The judges finally distributed the awards talking at length among themselves.
- (c) The judges, talking at length among themselves finally distributed the awards among the most active children.
- (d) The judges distributed finally talking at length among themselves the awards among the most active children.
- (e) None is true.

Q139.

- (a) I have been ill for fortnight and the Management and the school sports committee as well prefer to elect me the Captain of school team. Initially I thought that it is only in a fun but I was wrong.
- (b) I had been ill for the fortnight and the Management and the school sports committee preferred to elect me the Captain of school team. Initially I thought that it was only in a fun but I was wrong.
- (c) I have been ill for a fortnight and the Management as well as the school sports committee prefers to elect me Captain of school team. Initially I thought that it was only in fun but I was wrong.
- (d) I was ill for fortnight thus the Management as well as the school sports committee preferred to elect me the Captain of school team. Initially I thought that it was only in a fun but I was wrong.
- (e) All are true

Q140.

- (a) If you try to understand the concept in the class you will not only remember it but also will not be able to put to use while solving even the difficult exercises.
- (b) If you tried to understand the concept of the whole class, you will not only remember it, but also can put to use while solving even the difficult exercises.
- (c) If you tried to understand the concept in the class, you would not only remember it but also can put it to use while solving even the difficult exercises.
- (d) If you tried to understand the concept in the class, you would not only remember it but also could put it to use while solving even the difficult exercises.
- (e) None is true.