

Spardhaguru Skill Edge Aptitude Academy

1st Floor, 608, Panchamantra Rd, P and T Block, Jayanagar, Kuvempunagara, Mysuru, Karnataka 570023

IBPS / SBI Clerk Model Question Paper — 02

Time: 60 Minutes | Total Questions: 60 |

Negative Marking: 0.25

Date: _____

Student Details

Name: _____

No of Questions Attempt: _____

Start Time: _____

End Time: _____

Test Rules & Scoring

Scoring Scheme: +1 for correct answers | -0.25 for incorrect responses.

Writing Tool: Blue or black ballpoint pen only.

Test Discipline: Start only upon the invigilator's signal. Zero tolerance for malpractice.

Handover: Submit your response sheet to the invigilator before exiting the hall.

Office Use Only

Score Obtained: /

Invigilator Signature: _____

SPARDHAGURU INDIA PRIVATE LIMITED

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Day-02 Practice Set: English Language (60 Questions)

Reading Comprehension

Directions (Q01–Q08): Read the passage below and answer the questions that follow.

The transition toward decentralized finance and algorithmic lending has precipitated a paradigm shift across emerging micro-credit landscapes. For generations, traditional banking syndicates operated under stringent, asset-heavy underwriting models that demanded tangible collateral and physical documentation. Consequently, millions of informal rural micro-enterprises and agrarian sole proprietorships remained systematically excluded from formal credit channels. The recent convergence of sovereign digital identity rails, real-time retail payment switches, and open data-sharing frameworks has substantially democratized access to institutional capital. By examining verifiable operational footprints—such as digital payment inflows, utility settlements, and input procurements—lending algorithms can disburse unsecured working-capital advances within minutes. However, this automated transition is far from benign. While these platforms lower operational friction, they introduce severe systemic vulnerabilities. Unregulated non-

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banking entities frequently deploy predatory lending software featuring opaque rate calculations, hidden administrative fees, and aggressive recovery practices. Furthermore, algorithmic risk-assessment engines often perpetuate historical socioeconomic disparities when trained on skewed legacy datasets. When systemic shocks or regional climate anomalies disrupt seasonal agricultural revenue, automated scoring models often downgrade credit ratings abruptly, denying liquidity to viable micro-enterprises when it is needed most. Ensuring durable financial resilience therefore requires proactive regulatory guardrails, comprehensive consumer grievance redressal systems, and mandatory auditability of automated underwriting frameworks.

1. What is the primary factor that historically excluded agrarian enterprises from formal credit?

- (A) Mandatory usage of proprietary algorithmic clearing protocols
- (B) Asset-heavy underwriting models demanding tangible collateral
- (C) Complete absence of commercial banking institutions in regional hubs
- (D) Stringent caps imposed by sovereign central banks on micro-lending
- (E) Reluctance of borrowers to accept institutional debt

2. How does algorithmic lending overcome the absence of traditional collateral?

- (A) By securing sovereign state guarantees for all retail debt
- (B) By mandating physical asset inspections via local administrative bodies
- (C) By evaluating verifiable transaction footprints like digital cash inflows
- (D) By enforcing uniform interest rates across domestic credit institutions
- (E) By transferring default risks to international multilateral agencies

3. Which of the following is an acute risk of automated lending algorithms highlighted in the passage?

- (A) Failure to execute cross-border remittance settlements
- (B) Inability to process high-volume retail transactions during holidays
- (C) Perpetuation of historical disparities due to biased training datasets
- (D) Complete circumvention of digital clearing and settlement gateways
- (E) Uncontrolled deflation of agricultural commodity benchmark prices

4. Which of the following is most nearly SIMILAR in meaning to PRECIPITATED as used in the passage?

- (A) Thwarted
- (B) Accelerated
- (C) Delayed
- (D) Diminished

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(E) Obscured

5. Which of the following is most nearly **OPPOSITE** in meaning to **BENIGN** as used in the passage?

- (A) Favorable
- (B) Harmless
- (C) Detrimental
- (D) Inocuous
- (E) Genial

6. Which of the following statements is **TRUE** according to the passage?

- (A) Automated underwriting algorithms never miscalculate localized agricultural volatility.
- (B) Tangible collateral remains mandatory for all unsecured digital working-capital advances.
- (C) Unregulated digital lending apps may deploy predatory tactics and hidden levies.
- (D) Agrarian sole proprietorships preferred physical documentation over digital loans.
- (E) Open digital rails have reinforced the dominance of proprietary walled gardens.

7. What measure does the author propose to ensure systemic resilience in digital micro-finance?

- (A) Prohibiting non-banking corporations from offering digital retail products
- (B) Enforcing a complete return to physical KYC verification procedures

(C) Establishing mandatory auditability of algorithms and proactive regulatory guardrails

(D) Restricting credit disbursements exclusively to state-owned enterprise projects

(E) Banning the use of data footprints in calculating creditworthiness

8. Which title best captures the core theme of the passage?

- (A) The Demise of Commercial Banking in Rural Territories
- (B) Algorithmic Micro-Lending: Advancements, Vulnerabilities, and Oversight
- (C) The Global Collapse of Sovereign Digital Payment Switches
- (D) Agricultural Supply Chains in Modern Industrial Economies
- (E) Why Open Data Sharing Protocols Fail Rural Communities

Spotting Error

Directions (Q9–Q13): Identify the grammatically incorrect segment in each of the given sentences.

09. Neither the board of directors (A) / nor the chief executive officer (B) / were willing to accept responsibility (C) / for the catastrophic financial loss. (D) / No error (E)

- A) A B) B C) C
- D) D E) E

10. Had the regulatory authority (A) / acted more decisively during the initial

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audit, (B) / the fraud would have been detected (C) / much earlier than it was. (D) / No error (E)

- A) A B) B C) C
D) D E) E

11. The sudden surge in crude oil prices (A) / have severely impacted the trade deficit (B) / of emerging economies reliant on (C) / imported energy resources. (D) / No error (E)

- A) A B) B C) C
D) D E) E

12. Scarcely had the economic package (A) / been announced by the minister (B) / than the stock market reacted positively (C) / with an immediate sharp rally. (D) / No error (E)

- A) A B) B C) C
D) D E) E

13. The firm's new financial technology platform (A) / is superior than (B) / any existing product (C) / currently available in the banking domain. (D) / No error (E)

- A) A B) B C) C
D) D E) E

Word Swap

Directions (Q14–Q18): In each question, a sentence has four words highlighted in bold: (A), (B), (C), and (D). Identify the pair(s) of words that must be swapped to make the sentence grammatically

correct and contextually meaningful. If no swap is required, select (E).

14. The internal auditor **warned** (A) the board that failing to **comply** (B) with revised guidelines could **attract** (C) severe regulatory **penalties** (D).

- (A) A–B (B) B–C
(C) C–D (D) B–D
(E) No swap required

15. The board agreed to **measures** (A) stringent fiscal **implement** (B) to **curb** (C) runaway price **inflation** (D) across essential retail commodities.

- (A) A–B (B) B–C
(C) A–D (D) C–D
(E) No swap required

16. The unexpected **disruption** (A) in global freight corridors **prompted** (B) vehicle manufacturers to **alternative** (C) domestic suppliers for **explore** (D) components.

- (A) A–B (B) C–D
(C) B–C (D) A–D
(E) No swap required

17. To **momentum** (A) business confidence, the central bank decided to **contract** (B) policy rates, which may inadvertently **tighten** (C) economic **revive** (D).

- (A) A–B (B) B–C
(C) A–D and B–C (D) A–D
(E) No swap required

18. The regulatory authority **sanctions** (A) strict **imposed** (B) on

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the regional cooperative bank for **failing** (C) to report fraudulent transactions (D).

- (A) A-B (B) B-C
(C) C-D (D) A-D
(E) No swap required

Para Jumbles

Directions (Q19–Q23): Rearrange the following six sentences (A), (B), (C), (D), (E), and (F) into a coherent paragraph, then answer the questions below.

(A) Furthermore, this systemic expansion exposed vulnerable consumers to predatory collection practices and exorbitant interest margins.

(B) Consequently, apex banking regulators issued comprehensive prudential directives to curb unlawful operational abuses.

(C) Over the past decade, financial technology startups revolutionized retail lending across emerging economies.

(D) These interventions mandated absolute transparency in Annual Percentage Rates and prohibited unapproved access to device contacts.

(E) This swift credit boom was primarily driven by mobile underwriting algorithms that bypassed traditional collateral assessments.

(F) In the aftermath of these strict regulatory guardrails, only compliant lending platforms continue to operate legitimately.

19. Which of the following is the **FIRST** sentence after rearrangement?

- (A) B (B) C (C) E
(D) A (E) D

20. Which of the following is the **SECOND** sentence after rearrangement?

- (A) A (B) C (C) E
(D) F (E) B

21. Which of the following is the **THIRD** sentence after rearrangement?

- (A) B (B) C (C) E
(D) A (E) F

22. Which of the following is the **FOURTH** sentence after rearrangement?

- (A) A (B) B (C) D
(D) E (E) F

23. Which of the following is the **SIXTH (LAST)** sentence after rearrangement?

- (A) B (B) D (C) F
(D) E (E) A

Cloze Test

Directions (Q24–Q30): In the following passage, there are blanks numbered (24) to (30). Choose the correct word from the options that best fits each blank.

The rapid decarbonization of modern industrial economies has transformed clean energy adoption into a critical

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fiscal imperative. Power generation grids are undergoing a structural (24) toward renewable installations, driven by lower capital costs for solar photovoltaic assets. Nevertheless, grid transmission authorities face persistent technical (25) caused by the intermittent behavior of renewable power. Unlike traditional thermal plants, which supply reliable baseload energy, wind and solar output are fundamentally (26) by local meteorological variations. To stabilize system frequency, regional distribution utilities must (27) utility-scale battery energy storage systems alongside predictive telemetry models. At the same time, regulatory authorities must implement forward-looking tariff policies that (28) capital investments in modern transmission infrastructure. Failure to address these operational constraints could severely (29) industrial grid stability and derail emissions targets. Thus, combining technological modernization with well-aligned capital incentives remains (30) to sustaining national energy security.

24. (A) stagnation (B) shift
(C) decline (D) pause
(E) cessation
25. (A) bottlenecks (B) privileges
(C) amenities (D) justifications
(E) subsidies
26. (A) insulated (B) liberated
(C) dictated (D) magnified

(E) emancipated

27. (A) reject (B) integrate
(C) dismantle (D) overlook
(E) isolate
28. (A) incentivize (B) discourage
(C) hamper (D) invalidate
(E) suppress
29. (A) bolster (B) jeopardize
(C) reinforce (D) consolidate
(E) calibrate
30. (A) marginal (B) redundant
(C) pivotal (D) negligible
(E) trivial

Misspelt or Contextually Inappropriate Words

Directions (Q31–Q35): In each question, a sentence is given with four words highlighted in bold: (A), (B), (C), and (D). One of these words may be either misspelt or contextually inappropriate in the sentence. Identify that word. If all words are correctly spelt and used appropriately, mark (E).

31. The internal compliance committee concluded that the employee's conduct was completely **inadvertent** (A), though his **negligence** (B) caused significant **embarrasment** (C) to the corporate **hierarchy** (D).
(A) inadvertent (B) negligence

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- (C) embarrassment (D) hierarchy
(E) All are correct

- (C) imminent (D) markets
(E) All are correct

32. The central monetary authority decided to **supersede** (A) the board of directors after discovering **flagrant** (B) discrepancies in the quarterly **statutory** (C) **questionnaire** (D).

- (A) supersede (B) flagrant
(C) statutory (D) questionnaire
(E) All are correct

33. Maintaining adequate liquidity is an **indispensable** (A) **prerogative** (B) for regional lenders seeking to ensure **continuous** (C) operational **sustenance** (D) during market shocks.

- (A) indispensable (B) prerogative
(C) continuous (D) sustenance
(E) All are correct

34. The senior loan officer refused to **acquiesce** (A) to the borrower's irregular request, citing strict **bureaucratic** (B) **protocols** (C) that forbid any procedural **omission** (D).

- (A) acquiesce (B) bureaucratic
(C) protocols (D) omission
(E) All are correct

35. Rapid currency **depreciation** (A) forced several import-reliant manufacturers to **curtail** (B) output, thereby causing an **imminent** (C) supply shortage in domestic **markets** (D).

- (A) depreciation (B) curtail

Double Fillers

Directions (Q36–Q40): Each question below has a sentence with two blanks. Choose the pair of words that best fits into the blanks grammatically and contextually.

36. The statutory audit uncovered a noticeable _____ in the reconciliation sheets, prompting an exhaustive _____ into the bank's clearing operations.

- (A) symmetry, inspection
(B) discrepancy, investigation
(C) conformity, evaluation
(D) agreement, dismissal
(E) similarity, scrutiny

37. To prevent financial malpractices, compliance units must remain _____ in their surveillance procedures and _____ anti-fraud mandates without exception.

- (A) negligent, dismiss
(B) passive, bypass
(C) vigilant, enforce
(D) lethargic, suspend
(E) careless, execute

38. The finance ministry unveiled a series of fiscal _____ designed to spur consumer demand and _____ sustained economic growth.

- (A) penalties, retard
(B) incentives, stifle
(C) measures, foster

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- (D) sanctions, dampen
(E) restrictions, impede

39. Because internal operational oversight was exceptionally _____, several fraudulent ledger transfers went _____ for months.

- (A) stringent, revealed
(B) lax, unnoticed
(C) robust, questioned
(D) rigorous, challenged
(E) flawless, detected

40. Central banks must deploy _____ monetary frameworks to _____ systemic stability and protect deposits from macro volatility.

- (A) obsolete, compromise
(B) fragile, abandon
(C) resilient, preserve
(D) defective, destabilize
(E) erratic, forfeit

Column Matching

Directions (Q41-Q45): In the following questions, two columns are given containing three sentences/phrases each. Match Column 1 with Column 2 to form grammatically correct and contextually meaningful sentences.

Column 1	Column 2
(A) The central bank raised key lending rates	(D) to absorb unexpected loan default shocks.
(B) Commercial	(E) to curb

Column 1

banks expanded rural credit facilities

(C) Robust capital adequacy buffers allow institutions

Column 2

persistent wholesale inflation pressures.

(F) to support viable smallholder farming cooperatives.

- (A) A-E and B-D
(B) A-E, B-F, and C-D
(C) A-D and C-F
(D) B-E and C-D
(E) None of these

Column 1

(A) Automated transaction processing systems

(B) The compliance committee submitted a detailed report

Column 2

(D) regarding irregularities in customer loan collateral.

(E) have drastically curtailed manual verification intervals.

(C) High non-performing asset volumes severely restrict

(F) a bank's capacity to extend fresh working capital.

- (A) A-E, B-D, and C-F
(B) A-D and B-E
(C) B-F and C-D
(D) A-F and C-E

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(E) None of these		Column 1	Column 2
Column 1	Column 2	campaigns	
(A) Implementing two-factor authentication on all accounts	(D) across the southern industrial manufacturing corridor.	(C) The supervisory board rejected the proposal	(F) because it violated statutory debt exposure thresholds.
(B) Prolonged logistic bottlenecks disrupted retail supplies	(E) protects vulnerable depositors from unauthorized phishing.	(A) A-E, B-D, and C-F (B) A-D and B-E (C) B-F and C-D (D) A-F and B-D (E) None of these	
(C) The tribunal authorized immediate asset liquidation	(F) after the borrower willfully defaulted on repayments.	Column 1	Column 2
(A) A-D and B-F (B) A-E, B-D, and C-F (C) A-F and C-E (D) B-E and C-D (E) None of these		(A) Stringent anti-money laundering regulations require	(D) to cushion households against volatile living costs.
Column 1	Column 2	(B) Direct benefit transfer architectures allow subsidies	(E) financial institutions to verify corporate beneficial ownership.
(A) Fluctuations in global crude benchmark values	(D) to foster financial literacy among remote communities.	(C) Targeted food price interventions are necessary	(F) to reach verified beneficiaries without leakages.
(B) Regional cooperative credit societies launched	(E) directly influence domestic diesel and petrol retail rates.	(A) A-D and B-F (B) A-E, B-F, and C-D (C) B-D and C-E (D) A-F and B-E (E) None of these	

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Sentence Improvement:

Directions (Q46–Q50): In each question, a part of the sentence is given in bold. Below are given alternatives to the bold part which may improve the sentence. Choose the correct alternative. If the sentence is correct as it is, mark (E) "No correction required".

46. The apex regulator mandated that each commercial lender **submits its liquidity status report weekly** without delay.

(A) submit its liquidity status report weekly

(B) will submit its liquidity status report weekly

(C) has submitted its liquidity status report weekly

(D) submitted its liquidity status report weekly

(E) No correction required

47. **Hardly had the chief guest concluded his speech than** the technical servers experienced a full blackout.

(A) Hardly the chief guest had concluded his speech when

(B) Hardly had the chief guest concluded his speech when

(C) No sooner had the chief guest concluded his speech when

(D) Scarcely the chief guest concluded his speech than

(E) No correction required

48. The treasury team would have averted the loss if **they initiated the currency hedge in time**.

(A) if they had initiated the currency hedge in time

(B) had they initiate the currency hedge in time

(C) if they have initiated the currency hedge in time

(D) if they were initiated the currency hedge in time

(E) No correction required

49. She is one of the most competent analysts who **has handled complex derivative portfolios** in this branch.

(A) who is handling complex derivative portfolios

(B) who have handled complex derivative portfolios

(C) that has handled complex derivative portfolios

(D) whom has handled complex derivative portfolios

(E) No correction required

50. The recovery director insisted to **inspect the hypothecated plant machinery personally** prior to loan renewal.

(A) on inspecting the hypothecated plant machinery personally

(B) for inspecting the hypothecated plant machinery personally

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- (C) upon to inspect the hypothecated plant machinery personally
(D) to personal inspect the hypothecated plant machinery
(E) No correction required

Directions (Q51–Q55): In each of the following questions, four words are given in bold. One of these words may be **incorrectly spelt**. Identify the misspelt word. If all the words are spelt correctly, choose option (E) as your answer.

51. A) Acquiesce
B) Conscientious
C) Sacrilegious
D) Reconnaissance
E) All are correct

52. A) Liquefy
B) Minuscule
C) Psephology
D) Innocuous
E) All are correct

53. A) Supercilious
B) Hemorrhage
C) Mellifluous
D) Pusillanimous
E) All are correct

54. A) Bourgeoisie
B) Onomatopoeia
C) Resuscitate
D) Vengeance
E) All are correct

55. A) Desiccate
B) Millennium
C) Obsequious
D) Guage
E) All are correct

Directions (Q56–Q60): In each question, a single complex sentence is split into four parts marked (A), (B), (C), and (D). Rearrange the parts to form a grammatically correct, coherent, and meaningful sentence. If the sentence is already in the correct order, choose option (E).

56. (A) that could destabilize broader financial markets
(B) central banks are enforcing rigorous stress-testing protocols
(C) to pre-emptively identify latent solvency vulnerabilities
(D) before they escalate into systemic crises
A) BCDA
B) BCAD
C) CBDA
D) DACB
E) No rearrangement required

57. (A) despite mounting inflationary pressures on household budgets
(B) consumer spending across discretionary retail sectors remained resilient
(C) during the festive promotional quarter
(D) supported by accessible low-cost installment schemes
A) ACDB

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B) BACD

C) BADC

D) ABDC

E) No rearrangement required

58. (A) has rendered conventional branch operations

(B) the rapid integration of conversational artificial intelligence

(C) into retail banking service workflows

(D) far more responsive to real-time customer queries

A) BCAD

B) BACD

C) CBAD

D) DACB

E) No rearrangement required

59. (A) without undergoing mandatory biometric and documentation validation

(B) commercial lenders are strictly prohibited from

(C) onboarding high-net-worth institutional clients

(D) under revised international anti-money laundering frameworks

A) BDAC

B) BCAD

C) BCDA

D) DCBA

E) No rearrangement required

60. (A) has compelled regional credit cooperatives

(B) the relentless escalation in sophisticated cyber incursions

(C) to fortify their data defense infrastructures

(D) through round-the-clock threat intelligence monitoring

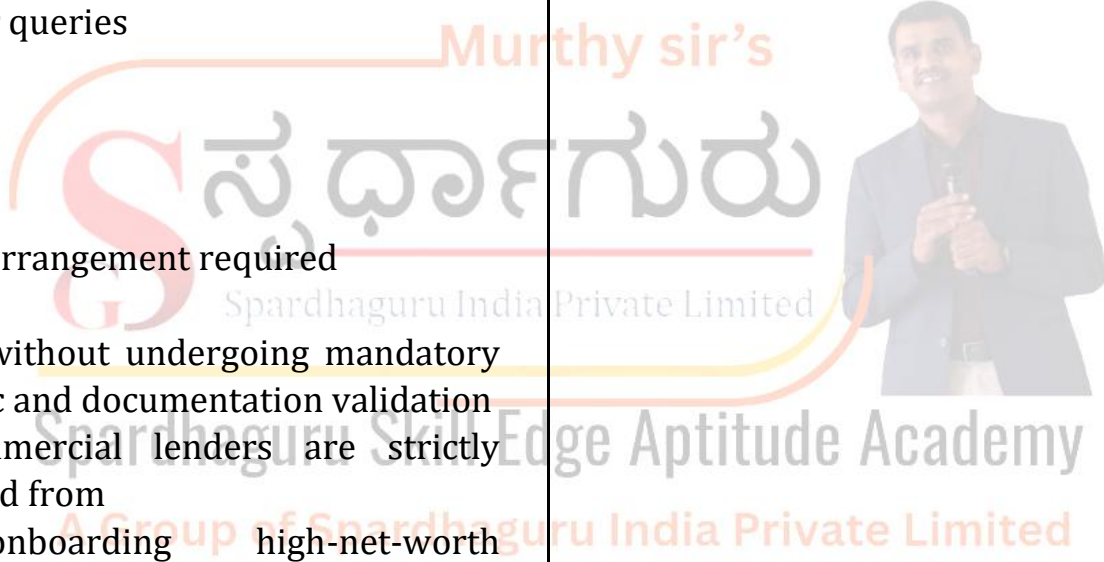
A) BACD

B) BCAD

C) ACBD

D) DBAC

E) No rearrangement required



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Best Wishes

Murthy sir (MSM)

Founder & Aptitude Trainer

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