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DIRECTIONS:

Read the following passages carefully and answer the questions given below them. Certain words are given in bold to help you to locate them while answering some of the questions.

PASSAGE

A few weeks ago I ran into an old friend who is currently one of the mandarins deciding India's economic and financial policies. He asked, "And so, how is IIT doing?" As one can only indulge in friendly banter at such gatherings, I responded with, "Not so well actually. Your market-friendly policies have forced us to raise the fee, so we have 50% fewer PhD applicants this year. Not batting an eyelid, he shot back: "Obviously. Your PhD students don't have any market value." Taken aback, I shifted to a more serious tone and tried to start a discussion on the need for research in these globalised times. But he had already walked away. The last word on the imperatives of the 'market' had been spoken. Actually, this view of higher education should not have surprised me. Worthies who look at everything as consumer products classify higher education as a 'non-merit' good. Non-merit goods are those where only the individual benefits from acquiring them and not the society as a whole. Multilateral agencies like The World Bank have too been pushing countries like India to stop subsidies to higher education.

When Ron Brown, former US commerce secretary visited India, a public meeting was organized at IIT Delhi. At that meeting I asked him : "I understand that since the 19th century all the way up to the 1970s, most land grant and state universities in the US virtually provided free education to state citizens. Was that good for the economy, or should they have charged high fees in the early 20th century?" He replied, "It was great for the economy. It was one of the best things that the US government did at that particular time in American history - building institutions of higher education which were accessible

to the masses of the people. I think it is one of the reasons why our economy grew and prospered, one of the ways in which the US was able to close some of its social gaps. So people who lived in rural areas would have the same kind of access to higher education as people living in other parts of the country. It was one of the reasons for making America strong."

Our policy-makers seem unaware that their mentors in the US did not follow policies at home which they now prescribe for other countries. Ron Brown's remarks summarise the importance of policymakers in the US place on higher education as a vehicle for upward mobility, for the poorer sectors of their population. Even today, a majority of Americans study in state-run institutions. Some of these institutions, like Berkeley and the Universities of Michigan, Illinois, Ohio, Wisconsin and Texas, are among the best in world. The annual tuition charged from state residents (about \$5000 a year) is about a month's salary paid to a lecturer. Even this fee is waived for most students. In addition, students receive stipends for books, food and hostel charges. The basic principle is that no student who gets admission to a university should have to depend on parental support if it is not available.

Ron Brown's remarks went unnoticed in India. Every other day some luminary or the other opines that universities and technical education institutions should increase their charges and that such education should not be subsidized. Most editorials echo these sentiments. Eminent industrialists pontificate that we should run educational institutions like business houses. Visiting experts from the Bank and the IMF, in their newly emerging concern for the poor, advise us to divert funds from higher education to primary education.

1) The author of the passage seems to be a/an

a) social activist devoted to illiteracy eradication programme





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- b) educationist in IIT or some such educational institution
- c) financial advisor to Government or a bureaucrat in finance department
- d) official working in economic affairs department
- e) industrialist employing highly qualified technocrats

2) What was the net tangible impact of raising fees on the higher level of technological research?

- a) Research studies attained a higher market value.
- b) Research became more and more relevant to market demands.
- c) The market value of PhD students was almost lost.
- d) The number of prospective researchers was reduced to almost a half.
- e) In the current globalised times, the need for research was less than ever.

3) According to the author, the US policy-makers consider education as a

- a) wastage of resources and a totally futile exercise
- b) matter of concern only for the parents of the students
- c) means for achieving upward mobility for the poor
- d) hindrance in the way to economic growth and prosperity
- e) None of these

4) Who among the following supports the view that higher education should be free to everyone aspiring for it?

Editors and Journalists

Industrialists

Visiting Experts from the Bank and the IMF

- a) C only
- b) All the three
- c) B only
- d) A only
- e) None of these

5) Which of following makes the policy-makers classify education as "non-merit" commodity?

- a) The tendency of viewing everything as mere consumer product

- b) Undue pressure from International Agencies like the World Bank, etc
- c) The attitude of giving unreasonably more weightage to society
- d) The tendency of people to seek any individual benefits
- e) None of these

6) What was Ron Brown's reaction to the author's question on free education provided by US universities to their citizens? Ron Brown

- a) ignored the fact and gave an ambiguous reaction.
- b) mentioned that the author's information was not correct.
- c) appreciated the author but remained noncommitted.
- d) criticized the US govt for its action.
- e) None of these

7) The basic principle adopted by the renowned State-run Universities in the US is that the students

- a) must seek the necessary help from their parents on whom they depend
- b) need not be required to depend upon their parents for acquiring higher education
- c) should earn while they learn and pay higher education fees
- d) must pay the lecturer's salary from their own resources
- e) None of these

8) What was the outcome of the US strategy of imparting free university education to US citizens?

- a) US economy suffered due to such a lop-sided decision.
- b) US Govt could not plug the loopholes in their economic policies.
- c) US citizens found it unaffordable and expensive.
- d) Education was easily accessible to the vast majority.
- e) None of these

9) Multilateral agencies like The World Bank have been





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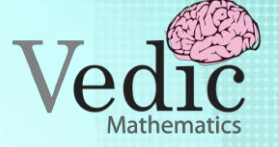
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- a) analyzing the possibilities of increasing subsidies to higher learning
b) emphasising on the needs of lowering fees for higher education
c) insisting on discontinuance of subsidies to higher education
d) pressurising India and other countries to stop substantial higher education
e) forcing countries like India to strengthen only industrial development

10) Which of the following is MOST NEARLY THE SAME in meaning as the word printed in bold as used in the passage?

UNAWARE

- a) Familiar b) Unworthy
c) Ignorant d) Famous
e) Negligent

11) Which of the following is MOST NEARLY THE SAME in meaning as the word printed in bold as used in the passage?

WAIVED

- a) Condoned b) Overlooked
c) Charged d) Moved
e) Paid

12) Which of the following is MOST NEARLY THE SAME in meaning as the word printed in bold as used in the passage?

MASSES

- a) Students b) Officers c) Groups
d) Institutions e) Parents

13) Which of the following is MOST OPPOSITE in the meaning of the word printed in bold as used in the passage?

GLOBALISED

- a) Earthly b) Prospering c) Liberalised
d) Universalised e) Decentralised

14) Which of the following is MOST OPPOSITE in the meaning of the word printed in bold as used in the passage?

PROSPERED

- a) Improved b) Decomposed
c) Progressed d) Declined
e) Enlightened

15) Which of the following is MOST OPPOSITE in the meaning of the word printed in bold as used in the passage?

CONCERN

- a) Sympathy b) Indifference c) Anxiety
d) Worry e) Nullification

DIRECTIONS:

Read the following passage carefully and answer the questions given below. Certain words/phrases are printed in bold to help you to locate them while answering some of the questions.

PASSAGE

Street theatre in India is a well established ancient art form. Despite the proliferation of modern means of entertainment and communication, street theatre continues to flourish in India.

Street theatre as a channel of communication has for centuries been propagating reforms by highlighting social, economic and political issues present in the society. Unlike in the olden days, its performance is no longer restricted to villages or small localities of the city. Today small groups of performers including students, would stage performances to mobilize public opinion or to help create or raise awareness over a particular issue of public importance. Themes on substance abuse, AIDS awareness, and domestic violence are some of the areas highlighted by contemporary street theatre troupe. Unlike in regular drama street drama employ very little props and images. The human body becomes the main tool in





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which choreography, mime, dialogues, songs and slogans are extensively used.

Street theatre is one of the most intimate media. Its appeal is to the emotions leading to quick psychological impact on audiences. By being local and live they also are able to establish not only direct contact with the audience but by being costeffective and flexible they are popular among all age groups.

16) Modern means of entertainment and communication _____ street theatre

- a) helps establish b) helps popularis
c) does not affect d) does affect

17) In the olden days street theatre _____ to villages or small localities of the city

- a) was entertained b) was opened
c) was not restricted d) was restricted

18) Street theatre usually _____ with issues of public importance

- a) does not deal b) deals
c) is performed d) is distanced

19) Street theatre is _____ to stage

- a) affordable b) reasonable
c) costly d) nothing

20) Street theatre creates an/a _____ impact on audiences.

- a) physical b) mystical
c) emotional d) intimate

DIRECTIONS:

Read the following passage carefully and answer the questions given below it. Certain words in the passage are printed in bold to help you to locate them easily while answering some of the questions.

PASSAGE

Giving loans to Impoverished women to make ceramics or to farmers to buy milk cows were not seen as great business. Microfinance was an industry championed by antipoverty activists. Today it is on the Verge of a revolution, with billions of dollars from big banks, private equity shops and pension funds pouring In, driving growth of 30% to 40% this year alone. In 1998, a nonprofit microfinance organisation in Peru, converted into bank (called Mibanco). This demonstrated that the poor Eire good risks who repay lotions on time and getting them together, not only chips away at poverty but also turns a profit. The success of Mibanco has piqued the interest of commercial banks, which had previously shunned the countries poor. Now big banks are going after Milbank's clients with low rate loans and realising i likes special know how to work with the unbanked Eire hiring away Milbank's staff. But with the emergence of players who are only out for profit, microfinance schemes could end up milking the poor.

This could happen in countries where lenders don't have to disclose interest rates. When a Mexican micro financier went public, revealing its loans had rates of about 86% annually, the Consultative Group to Assist the Poor (CGAP) criticised it for putting shareholders ahead of clients. The pressure of turn a profit also forces micro financiers to change their business models In ways that depart from the industries core mission to help poor people lead better lives. Such shifts have caused the average loan size to triple. Moreover smaller loans being costlier to service, a lower percentage of loans go to women because they tend to take out similar sums. According to CGAP, with the flood of new large entities there is the risk that a large percentage of cross border funds go to Latin America and eastern Europe, the world's most developed microfinance markets. The poorest of the world's poor, who are predominantly in Asia and Africa get left out, says the CEO of the nonprofit Grameen Foundation which helps develop microfinance Institutions. Segmenting the Industry, might be worthwhile if





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allows more of the poor to get access to credit. Multinational corporations could take the top microfinance institutions to the next level, and the remainder could be the responsibility of development groups and regional banks. Yet making loans to poor people is hardly a poverty cure.

Property rights and the rule law matter too, One cannot over idealize what microfinance alone can do. Most nonprofits started with lending simply because local laws prohibited nonbanks from offering deposit accounts. With an increase in competition and marketing efforts, poverty alleviation experts are concerned that people will be talked into loans they would not otherwise want, For example, organizations like Mibanco are providing consumer loans. There is nothing wrong with buying TVs and micro waves on credit, but certain markets, like Mexico, have been flooded with loans that have nothing to do with providing capital to aspiring entrepreneurs —just increasing household debt.

21) What does the transformation of Perus non-profit organisation into a bank illustrate?

To compete with commercial banks, microfinance Institutions should convert into banks and offer a wide variety of services.

Microfinance institutions turn to higher profits than banks since interest rates on loans are at their discretion.

The poor prefer to go to large banks rather than NGOs to obtain loans.

- a) Both (A) and (B) b) Only A
c) None d) All (A), (B) and (C)
e) None of these

22) Why did most microfinance institutions initially provide only credit services?

- a) They have to operate purely on a non-profit basis.
b) To ensure the poor have access to modern necessities like microwaves.

c) They were unable to compete with the interest rates offered on deposits by commercial banks.

d) Government restrictions prevented them from offering additional services.

e) None of these

23) What was the impact of the non-disclosure of their interest rates by lending institutions ?

- a) Shareholders' interests were not protected
b) The poor were exploited
c) The government issued sanctions against such firms.
d) More microfinance institutions were motivated to go public.
e) None of these

24) What is CGAPs fear with respect to new entities providing microfinance?

- a) The poor will hesitate to take advantage of credit facilities because of the formalities involved.
b) The interests of the most deserving among the poor will be neglected.
c) NGO will be unable to survive in an environment of cut throat competition
d) The poor in the developed world will be overlooked
e) Shareholders interest will be ignored

25) What is the authors opinion about the competition for customers among microfinance's ?

- a) It is futile since the poor have to pay high rates of interest on property loans,
b) It is a disadvantage since microfinance's use any means possible to recover loans.
c) It benefits the poor by providing them with loans would have otherwise riot had access to.
d) It is not beneficial since firms waste their profits on marketing rather than helping the poor.
e) None of these

26) Which of the following is are challenges faced by Mibanco at, present from big banks?

Ensuring the loyalty of their customers.
Retention of employees.





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Maintaining low interest rates.

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

27) Which of the following is are the consequences of micro financiers altering their business models?

Larger loan amounts get sanctioned.

Debt among the poor has fallen in some countries.

Drop in the loans awarded to women.

- a) Both (A) and (C) b) All (A) (B) and (C)
c) Both (A) and (B) d) Only (C)
e) None of these

28) Which of the following cannot be said about the Grameen Foundation?

It regulates the activities of microfinance firms in developing countries.

It functions primarily in Asia and Latin America.

It approves of privatizing microfinance institutions.

- a) Only B b) All (A), (B) and (C)
c) Both (A) and (B) d) Both (A) and (C)
e) None of these

29) What is the benefit of allowing multinational corporations to participate in the microfinance sector?

- a) Development banks will no longer have to be involved.
b) Profitability of microfinance institutions will increase drastically.
c) It will ensure professional management of these institutions,
d) The number of the poor who benefit from access to credit increases.
e) None of these

30) Which of the following can be said about microfinance ?

- a) Microfinance was not profitable till commercial bank entered the sector.
b) Microfinance institutions are governed by guidelines set up by GGAP.

c) The majority of microfinance around the world is provided by NGOs.

d) Microfinance is experiencing a high growth rate at present.

e) Microfinance is the optimal solution to alleviate poverty

DIRECTIONS:

Read the following passages carefully and answer the questions given below them. Certain words are given in bold to help you to locate them while answering some of the questions.

PASSAGE

We have inherited the tradition of secrecy about the budget from Britain where also the system has been strongly attacked by eminent economists and political scientists including Peter Jay. Sir Richard Clarke, who was the originating genius of nearly every important development in the British budgeting techniques during the last two decades, has spoken out about the abuse of budget secrecy: "The problems of long-term tax policy should surely be debated openly with the facts on the table. In my opinion, all governments should have just the same duty to publish their expenditure policy. Indeed, this obligation to publish taxation policy is really essential for the control of public expenditure in order to get realistic taxation implications." Realising that democracy flourishes best on the principles of open government, more and more democracies are having an open public debate on budget proposals before introducing the appropriate Bill in the legislature. In the United States the budget is conveyed in a message by the President to the Congress, which comes well in advance of the date when the Bill is introduced in the Congress. In Finland the Parliament and the people are already discussing in June the tentative budget proposals which are to be introduced in the Finnish Parliament in September. Every budget contains a cartload of figures in black and white - but the dark figures represent the myriad lights and shades of India's life, the contrasting tones of





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poverty and wealth, and of bread so dear and flesh and blood so cheap, the deep tints of adventure and enterprise and man's ageless struggle for a brighter morning. The Union budget should not be an annual scourge but a part of presentation of annual accounts of a partnership between the Government and the people. That partnership would work much better when the nonsensical secrecy is replaced by openness and public consultations, resulting in fair laws and the people's acceptance of their moral duty to pay.

31) How do the British economists and political scientists react to budget secrecy? They are

- a) very critical about maintenance of budget secrecy.
- b) advocates of not disclosing in advance the budget contents.
- c) indifferent to the budgeting techniques and taxation policies.
- d) in favour of having a mix of secrecy and openness.
- e) None of these

32) The author thinks that openness in budget is essential as it leads to

- a) exaggerated revelation of the strengths and weaknesses of economy
- b) making our country on par with Finland
- c) people's reluctance to accept their moral duties
- d) prevention of tax implications
- e) None of these

33) The author seems to be in favour of

- a) transparency in budget proposals
- b) replacement of public constitution by secrecy
- c) judicious blend of secrecy and openness
- d) maintaining secrecy of budget
- e) None of these

34) The secrecy of the budget is maintained by all of the following countries except

- Finland
- India
- United States

- a) Only C
- b) A and C
- c) Only B
- d) Only A
- e) B and C

35) Which of the following statements is definitely TRUE in the context of the passage?

- a) Consulting unjustifiable taxes with public helps make them accept those taxes.
- b) There should be no control on public expenditure in democratic condition.
- c) Budget secrecy is likely to lead to corrupt practices.
- d) The British Government has been religiously maintaining budget secrecy.
- e) None of these

36) Sir Richard Clarke seems to deserve the credit for

- a) detection of abuse of transparency in budget.
- b) bringing down the tax load on British people.
- c) maintenance of secrecy of the British budget.
- d) transformation in the British budgetary techniques.
- e) None of these

37) From the contents of the passage, it can be inferred that the author is

- a) unaware of India's recent economic developments.
- b) a conservative person.
- c) a democratic person.
- d) authoritarian in his approach.
- e) None of these

38) Which of the following statement(s) is/are definitely False in the context of the passage?

Transparency helps unscrupulous elements to resort to corrupt practices.

The open approach of Government is a sign of healthy democracy.

People's acceptance of their moral duties can best be achieved through openness and public consultations.

- a) Only C
- b) A and B
- c) Only B
- d) Only A
- e) B and C

39) For making the budget realistic, the Government should





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- a) encourage the public to send in their suggestions.
b) consult the public, defend their own plans and accept public suggestions.
c) discuss it secretly within themselves.
d) refrain from making public the proposed provisions before finalisation.
e) None of these

40) Choose the word which is most nearly the SAME in meaning to the word printed in bold as used in the passage.

SCOURGE

- a) whip b) compromise c) presentation
d) ritual e) remedy

41) Choose the word which is most nearly the SAME in meaning to the word printed in bold as used in the passage.

MYRIAD

- a) incompatible b) abundant c) functional
d) adequate e) excellent

42) Choose the word which is most nearly the SAME in meaning to the word printed in bold as used in the passage.

DUTY

- a) tax-liability b) function c) imposition
d) obligation e) job

43) Choose the word which is most OPPOSITE in meaning to the word printed in bold as used in the passage.

FLOURISHES

- a) vanishes b) blooms c) degenerates
d) disappears e) opens

44) Choose the word which is most OPPOSITE in meaning to the word printed in bold as used in the passage.

DEBATED

- a) accepted unconditionally
b) discussed frankly

- c) opposed strongly
d) questioned severely
e) implemented forcibly

45) Choose the word which is most OPPOSITE in meaning to the word printed in bold as used in the passage.

IMPORTANT

- a) significant b) unscheduled
c) uncountable d) major
e) trivial

