



spardhaguru2022



Spardhaguru Current affairs



Spardhaguru1



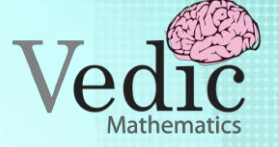
SpardhaGuru



Spardha.guru



www.spardha.guru



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

In a disarmingly frank talk at the Indian Merchants Chamber in Mumbai, the Japanese Ambassador in India dwelt at length on issues that exercise the minds of Japanese investors when they consider investment proposals in India.

Raising the question "What comparative advantages does India offer as an investment market?", he said though labour in India is inexpensive, wage levels are offset by productivity level to a large extent.

Acknowledging that the vastness of the Indian market is a great inducement for investment in manufacturing industry, he wondered if it was justifiable to provide that overseas remittance of profit in foreign exchange be fully covered by exchange earnings as had been done. Significantly, on the eve of the Prime Minister's visit to Japan, the government delinked profits repatriation from exports, meeting this demand.

The Ambassador said foreign investors needed to be assured of the continuity and consistency of the liberalisation policy and the fact that new measures had been put into force by means of administrative notifications without amending government laws acted as a damper.

The Ambassador pleaded for speedy formulation of the exit policy and pointed to the highly restrictive control by the government on disinvestment by foreign partners in joint ventures in India.

While it is all too easy to dismiss critical comment on conditions in India contemptuously, there can be little doubt that if foreign investment is to be wooed assiduously, we will have to meet exacting

international standards and cater at least partially to what we may consider the idiosyncrasies of our foreign collaborators. The Japanese too have passed through a stage in the fifties when their products were derided as sub-standard and shoddy. That they have come out of that ordeal of fire to emerge as an economic superpower speaks as much of their doggedness to pursue goals against all odds as of their ability to improvise and adapt to internationally acceptable standards.

There is no gainsaying that the past record of Japanese investment is a poor benchmark for future expectations.

1) The author has appreciated the Japanese for their

- a) perseverance in raising quality of products.
- b) future expectations.
- c) passing through an ordeal.
- d) quality of products manufactured in the fifties.
- e) None of these

2) According to the Japanese Ambassador, which of the following motivates the foreign investors to invest in Indian manufacturing industry?

- a) assurance of continuity of the liberalisation policy
- b) high productivity levels
- c) overseas remittance of profit in foreign exchange
- d) very large scope of Indian market
- e) None of these

3) The purpose of the author in writing this passage seems to be to

- a) paint a rosy picture of India's trade and commerce.
- b) criticize government's liberalization policy.
- c) critically examine Indian investment environment.
- d) discourage foreign investment in India.
- e) raise the expectations of foreign investors.

4) Which of the following suggestions were expected by the Japanese Ambassador?
speedy formulation of the exit policy





spardhaguru2022



Spardhaguru Current affairs



Spardhaguru1



SpardhaGuru



Spardha.guru



www.spardha.guru



imposing restrictions of disinvestment by foreign partners in joint ventures in India

continuity and consistency of the liberalisation policy

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

5) According to the Japanese Ambassador, India offers a comparative advantage to foreign investors in terms of

- a) higher productivity
b) skilled workforce
c) abysmally low wage levels
d) inexpensive labour
e) None of these

6) For seeking more and more foreign investment, the author suggests that we should

- a) link profit repatriations to exports.
b) raise the quality of product to match international standards.
c) dismiss all critical comments on Indian conditions.
d) satisfy fully the whims of our foreign collaborators.
e) None of these

7) From the passage it can be inferred that the author is

- a) a Japanese investor.
b) an Indian investor.
c) a secretary of the Japanese Ambassador.
d) a political commentator.
e) None of these

8) The author attributes Japan's emergence as an economic superpower to

its ability to overcome any ordeal.

their tenacity and perseverance despite unfavourable circumstances.

their ability to improvise and adapt to globally acceptable quality levels.

- a) A and C only b) All the three
c) B and C only d) A and B only

e) None of these

9) Which of the following statement(s) is/are true about the critical comments on investment conditions in India?

These comments are difficult to be countered.

These comments are received from various international quarters.

These comments are based more on biases than on facts.

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

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

ASSIDUOUSLY

- a) feebly b) deliberately c) hastily
d) persistently e) innocently

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

IDIOSYNCRASIES

- a) deviations b) ideologies c) needs
d) demands e) identity

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

SHODDY

- a) cheap b) disadvantageous c) shabby
d) extraordinary e) unprofitable

13) Choose the word which is most OPPOSITE in meaning of the word printed in capital as used in the passage.

INDUCEMENT

- a) breach b) temptation c) motive
d) incentive e) impediment





spardhaguru2022



Spardhaguru Current affairs



Spardhaguru1



SpardhaGuru



Spardha.guru



www.spardha.guru



14) Choose the word which is most **OPPOSITE** in meaning of the word printed in capital as used in the passage.

JUSTIFIABLE

- a) irrevocable b) unscrupulous c) formidable
d) unreasonable
e) inevitable

15) Choose the word which is most **OPPOSITE** in meaning of the word printed in capital as used in the passage.

CONTEMPTUOUSLY

- a) respectfully b) methodically
c) reasonably d) amicably
e) indecisively

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

John Maynard Keynes, the trendiest dead economist of this apocalyptic moment was the godfather of government stimulus. Keynes had the radical idea that throwing money at recessions through aggressive deficit spending would resuscitate flat-lined economies and he wasn't too particular about where the money was thrown. In the depths of the Depression, he suggested that the Treasury could fill old bottles with banknotes, bury them at suitable depths in disused coal mines then sit back and watch a money mining boom create jobs and it above would be better Barrack Obama throw money at the cur item a stimulus package it about \$800 billion, plus the 350 billion chunk of the bailout we all really do see may Nissans now.

Just about expert agrees that pumping \$ 1 into a moribund economy will p the ethereal goods and services re that Keynes called aggregate and stimulate at least some rattan activity, even if it is all tendon

money pits. But Keynes was right that there would be more able ways to spend it. A trillion it's worth of bad ideas sprawl rig highways and bridges to no e, ethanol plants and pipelines accelerate global warming, tax for overleveraged McMahsidrters and burdensome new long federal entitlements would be than mere waste.

It would beer to buy every American an iPod,) Ginsu knives and 600 Subv\$yngs would be smarter still to the money at things we need to which .is the goal of Obartias sing Arnericah Recovery and Recent Plan. It will include a mix of cuts, aid to beleaguered state governments and spending rest needs ranging from food to computerized health records repairs to broadband net D energy efficiency retrofits, all d to save or create 3 million to in jobs by the end of 2010. has said speed is his top cause the faster Washington ash into the financial blood the better it stands to help multiyear slump with double employment and deflation. But v ants to use the stimulus to his long-term priorities reduce the use and carbon emissions, middle-class taxes, upgrading infrastructure, reining in e costs and eventually reduced get deficits that exploded large W. Bush. Obamas goal this crisis in the best sensed, to start pursuing his veneer, fairer, more compete sustainable economy was a megaton has demonstrated an impressive ability to spend money quickly, it has yet to prove that it can spend money wisely.

And the chum of a 1 with 12 zeros is already creating a feeding frenzy, for the ages. Lobbyists for shoe companies, zoos, catfish fanners, mall owners, airlines, public broadcasters, car dealers and everyone else who can afford their retainers are lining up for a piece of the stimulus. States that embarked on raucous spending and tax-cutting sprees when they were flush are begging for bailouts now that they're broke. And politicians are dusting off their unfunded mobster museums, watersides and other pet projects for rebranding as shovel ready infrastructure investments. As Obamas aides scramble to assemble something





spardhaguru2022



Spardhaguru Current affairs



Spardhaguru1



SpardhaGuru



Spardha.guru



www.spardha.guru



effective and transformative as well as politically achievable, they acknowledge the ten between his desires for speed and reform.

16) John M. Keynes was advocate of which of the following suggestions ?

- a) Exorbitant spending during recessions is likely to boost Economy
- b) Government stimulus to economy may not help be cause of red tapism.
- c) Spending money recklessly during recessions is suicidal ,
- d) Aggressive deficit spending is likely to be fatal for economic meltdown.
- e) None of these

17) Which of the following is TRUE about Keynes philosophy?

- a) Government should be selective in approach for spending money during recession
- b) Creating jobs and prosperity during recessions is almost an impracticable proposal
- c) Actual spending money during meltdown is more important than where and on what it is spent
- d) Filling old bottles with banknotes and burying the misanthropic proposal
- e) None of these

18) The author of the passage calls Barrack Obama and his team . Keynesians because BARACK OBAMA has been reluctant to follow Keynes philosophy

- a) Barack Obama and his team have decided to fill old bottles with banknotes
- b) None of these
- c) His team is advising Barack to refrain from Keynes philosophy
- d) Building houses has been under the active consideration of Barack Obama and his team
- e) All a,b,c

19) What, according to Keynes, is the aggregate demand ?

- a) Stimulation of a short-term activity
- b) Pumping one trillion dollars into economy
- c) Goods and Services Sector
- d) Attempting to rev up the sluggish economy
- e) None of these

20) Highways, bridges, ethanol plants, etc. are considered by the author as

- a) measures that affect the environment adversely
- b) tax saving schemes bestowed on builders
- c) reasonably appropriate propositions to spend money
- d) imprudent proposals to waste money on
- e) None of these

21) Obamas upcoming American Recovery and Reinvestment Plan focus on which of the following? Recovery of all debts from the debtors in a phased manner.

Pumping money very liberally in projects that are mandatory.

Investing money recklessly in any project regardless of its utility.

- a) (B) only
- b) (B) and (C) only
- c) (A)only
- d) (C) only
- e) All (A), (B) and (C)

22) According to the author of the passage, food stamps, bridge repairs, etc. are the projects that

- a) need the least investment and priority as compared to building houses for the needy
- b) have lower value in terms of returns but require major investments
- c) do not warrant urgent spending as they have a lower utility value
- d) may not have any favorable impact on attempts to counter recession
- e) None of these





spardhaguru2022



Spardhaguru Current affairs



Spardhaguru1



SpardhaGuru



Spardha.guru



www.spardha.guru



23) Obama desires to accelerate the process of pumping money with utmost rapidity as he believes that it would

help create reasonably high employment opportunities.

avoid deflation.

inject cash into the already troubled economy

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

24) Which of the following is a corrective measure(s) as part of the long term priorities of Obama that was an outcome of his predecessor's regime?

Countering recession through immediate rescue operations.

Reducing the budget deficit.

Creating a more sustainable economy.

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

25) What does the author mean by the Right Step in the passage ?

- a) Considering market growth along with environment protection.
b) To start looking at newer avenues and markets
c) Giving loans to creditworthy people only
d) Restricting people to buy only such products which are needed by them.
e) None of these

26) Although admired since years, why did the scepticism over the Japanese management style start, since the last decade?

- a) Japanese banks have provided loans indiscriminately to the creditworthy as well as non creditworthy people.
b) The unlimited growth of the Japanese markets has come at the cost of the western market.
c) Japanese companies have been moving out of their home markets since the last decade

d) Because Japanese markets have been going through a period of continuous recession since the last decade.

e) None of these

27) Why does the author foresee the markets being created in the developing countries instead of America and Europe ?

- a) Developed countries are willing to make an effort to achieve globalization
b) Recession has not hit the markets of developing countries yet.
c) All developing countries have materialistic culture.
d) American and European markets have had a large number of credit defaulters.
e) None of these

28) According to the author, what is the main cause of Japanese recession ?

- a) Non creditworthy people defaulted which led to a collapse of the entire system.
b) Japanese do not purchase endlessly and thus when products had been sold to every customer, the markets slowed down.
c) Only a handful of corporations earned profits and not the people in general
d) Consumers were sold newer products which were similar in quality to the existing ones.
e) None of these

29) How does the author foresee the future globalization as an analogy to Henry Ford's example? Car companies would start selling cars in developing countries as well.

By paying the developing world the developed world would increase its own profit, in turn bringing affluence to the developing world as well.

To earn a profit, companies in developing countries would move to a foreign land.

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





spardhaguru2022



Spardhaguru Current affairs



Spardhaguru1



SpardhaGuru



Spardha.guru



www.spardha.guru



30) According to the passage, which of the following was NOT an effect of providing loans and credits to the customers?

The non-credit worthy people defaulted.

People bought new products which were not needed.

Poverty became non-existent.

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

31) Why is the recession the beginning of good news for India in the author's view?

India can provide an attractive market to western companies.

India has remained largely unaffected by recession owing to its huge population.

Indians keep purchasing products despite owning equally good products

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

32) What does the author mean by Dustbinisation of the customer?

- a) Denying the non creditworthy people of any loans.
b) Moving from old customers at the home market to foreign markets.
c) Convincing the customer to buy products he does not need.
d) Denying more loans to people who have already taken loans to a logical limit.
e) None of these

33) Why according to the author is the current recession great for Planet Earth?

It will make people no materialistic like the Japanese.

The unlimited market growth which caused hazards to the environment would be checked to a certain extent. Banks will now provide loans only to creditworthy people.

Developing countries will also be benefited from shifted markets.

- a) Only B and D b) Only B c) Only A
d) Only A and B e) None of these

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

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 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





spardhaguru2022



Spardhaguru Current affairs



Spardhaguru1



SpardhaGuru



Spardha.guru



www.spardha.guru



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.

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

- a) advocates of not disclosing in advance the budget contents.
- b) very critical about maintenance of budget secrecy
- c) indifferent to the budgeting techniques and taxation policies
- d) in favour of having a mix of secrecy and openness

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

- a) None of these
- b) exaggerated revelation of the strengths and weaknesses of economy
- c) people's reluctance to accept their moral duties
- d) prevention of tax implications

36) The author seems to be in favour of :

- a) replacement of public constitution by secrecy
- b) transparency in budget proposals
- c) judicious blend of secrecy and openness
- d) maintaining secrecy of budget

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

Finland
India
United States

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

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

- a) The British Government has been religiously maintaining budget secrecy
- b) Consulting unjustifiable taxes with public helps make them accept those taxes

- c) Budget secrecy is likely to lead to corrupt practices
- d) None of these

39) Sir Richard Clarke seems to deserve the credit for:

- a) bringing down the tax load on British people.
 - b) detection of abuse of transparency in budget
 - c) maintenance of secrecy of the British budget
 - d) transformation in the British budgetary techniques
- Sir Richard Clarke was the originating genius of nearly every important development in the British budgeting techniques during the last two decades.

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

- a) a conservative person.
- b) unaware of India's recent economic developments
- c) a democratic person
- d) authoritarian in his approach

41) For making the budget realistic, the Government should:

- a) consult the public, defend their own plans and accept public suggestions.
- b) encourage the public to send in their suggestions
- c) discuss it secretly within themselves
- d) refrain from making public the proposed provisions before finalisation

An open public debate on budget proposals should be held before introducing the appropriate bill.

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

SCOURGE

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

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

MYRIAD

- a) abundant
- b) incompatible





spardhaguru2022



Spardhaguru Current affairs



Spardhaguru1



SpardhaGuru



Spardha.guru



www.spardha.guru



c) functional

d) adequate

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

FLOURISHES

a) blooms

b) vanishes

c) degenerates

d) disappears

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

DEBATED

a) discussed frankly

b) accepted unconditionally

c) opposed strongly

d) questioned severely

