

Direction (1-10) In below questions Five statements are given, labelled a, b, c, d and e. Among these, four statements are in logical order and form a coherent paragraph and one option does not fit into the theme of the paragraph. By eliminating the odd man sentence choose the best sequence.

- 1) A) This cannot continue and the trend must be put down. Political leaders must make it absolutely clear that B) damaging India's multicultural tradition and robbing it of the fruits of economic reform. C) Lynch mobs have come to threaten not just lone lives but the vitality of the nation itself. D) And that they put the unity of the people, social peace, law and order above all other considerations. E) They themselves and the governments they lead will not tolerate mob frenzy whipped up in whatever name
a) CAED b) CABD c) BEDC d) BDEC
- 2) A) The national carrier has its own maintenance and repair centre, which gives it cost advantage over other players. B) But will any sane investor buy a stake in the company that is laden with debt even if 100% equity is handed over for, say, Rs1? C) A privatised Air India would cease to be a drain on the exchequer and also gain a sustainable capital structure and become more efficient. D) The government's in-principle approval to divest stake in the loss-making national carrier Air India is welcome. E) Air India's total debt is over Rs52,000 crore, and the annual interest outgo is about Rs4,500 crore.
a) DABE b) DCBE c) BEAD d) CABE
- 3) A) Investment as a proportion of GDP is today lower than at any point of time since 2004-05, and B) Especially since the Supreme Court cancelled a bunch of telecom licences in 2011, private investment in infrastructure has virtually dried up. C) This is principally on account of falling private corporate investment. D) banks are laden with bad loans and companies with debt they cannot service. E) After a series of public-private-partnership projects in the infrastructure turned sour post the financial crisis and
a) ACEB b) AECD c) ABCE d) AEDB
- 4) A) The target of 175 GW of new renewable energy capacity by 2022 still seems ambitious. B) India's renewable energy generation capacity is now at a little over 57 GW. C) National renewable energy markets are projected to continue to grow strongly in the coming decade and beyond D) But much more needs to be done. E) In nearly doubling the renewable energy portfolio in three years, the government has shown its commitment to low-carbon development.
a) ADEB b) BECA c) BEDA d) DBAC
- 5) A) The US also expressed support for the UN Comprehensive Convention on International Terrorism B) Trump is no dyed-in-the-wool Republican but he is a businessman.

- C) As an emerging economy with a healthy growth rate and immense economic opportunities, India is a desirable partner. D) Historically, Republican administrations have been good for India, with the exception of the Nixon-Indira Gandhi rupture E) The Modi-Trump meeting in Washington demonstrates that the India-US relationship has a momentum of its own
a) ECDB b) EABD c) DABE d) CEBD
- 6) A) Many firms advertise their goods or services, but are they wasting economic resources? B) Some economists reckon that advertising merely manipulates consumer tastes and creates desires that would not otherwise exist C) By increasing product differentiation and encouraging brand loyalty advertising may make consumers less price sensitive D) moving the market further from perfect competition towards imperfect competition and increasing the ability of firms to charge more than marginal cost. E) Some managers with lots of share options have engaged in accounting fraud in order to increase the value of those options long enough for them
a) ABDC b) ABCD c) AECD d) ADCE
- 7) A) This has to be resolved through quiet diplomacy, without bluster and verbal aggression of the kind that runs riot on most television channels when they discuss relations with Pakistan or China. B) The political leadership and India's diplomatic cadre must follow through on this logic. C) The first attempt to formally demarcate boundaries took place under colonial rule and this has left its mark on Sino-Indian relations, the two countries fighting a brief war over rights over territory. D) There is no gainsaying that the Chinese decision to block passage through the Nathu La pass for Kailash Mansarovar pilgrims is a setback. E) India and China are two ancient civilisations that have coexisted in peace and mutual respect for millennia.
a) DEAB b) DAEB c) DAEC d) DBAE
- 8) A) It gives us a clear sense of what has been achieved and what more can possibly be done in the remaining 18 months before the political class shifts to campaign mode. B) The question remains: who will make the assessment? C) It is, no doubt, an interim report but one that may not deviate wildly from the final assessment. D) Three years, in a five-year term, is a reasonable time for assessing any government. E) Based entirely on perception, offer an indication of likely voting intentions two years later, unless something dramatic intervenes.
a) DCAB b) DBCA c) DECA d) DACB
- 9) A) That social media undoubtedly confers, with insolence, rudeness, wilful annoyance and even profane language is understandable. B) The lack of decorum of some (often anonymous) individuals who equate democratic empowerment C) This was a question that agitated me last week upon witnessing the ungainly exchange between a venerable retired civil servant and his baiters.

- D) some exchanges in the social media often resemble a no-holds-barred catfight.
 E) What is it about social media that turns even the best of people into rough streetfighters?
 a) ECBA b) BEAC c) EABC d) ECAB
10) A) that is breaking down the supply chain of companies and halting production.
 B) Links in the supply chain can use the credit available from enhanced OD limits.
 C) The shortage of new currency notes has disrupted economic activity in the country, hurting small and large businesses.
 D) Direct banks to raise overdraft limits of all current accounts, to help businesses tide over the currency shortage
 E) Even as the government steps on the gas on replacing old notes with new ones, it should step up credit availability to replace, at least in part, the missing cash for transactions.

- a) CEDA b) CDEA c) CEBA d) CBEA

Direction (11-20). In each of the following questions, various sentences are given and you have to choose the one which has some or any grammatical error in it. In the questions where option (E) is all are correct.

- 11)** A. Hardly had we settled down for the night's rest when we were startled by the loud noise being made outside the house.
 B. The children were inclined to be frightened by the sight of the small animal, which reminded them of the bears; but Dorothy reassured them by explaining that Eureka was a pet and could do no harm even if she wished to.
 C. Being reassured by the fact that the creatures could not crawl out of their rock-pockets, the children and the Wizard now took time to examine them more closely.
 D. It was no fun to be pulled over the sharp stones in that way; but it was better than to be bitten by the wolf.
 E. All are correct.
12) A. He won't lose his mate, even if he chooses to kill her rather than give her up.
 B. Her skin began to flush until it was pink enough to look human rather than the sleep of the dead.
 C. Ordinarily when in difficulty Renu prefers keeping her counsel rather than going about here and there for advice.
 D. Maybe he'd rather listen than talk.
 E. All are correct.
13) A. Only 6 crore out of 29 crore persons holding permanent account number (PAN) file income tax returns at present.
 B. Only three out of a thousand are born with this rare disease.
 C. So, with a snort and a neigh and a whisk of his short tail he trotted off the roof into the air and at once began floating downward to the street.
 D. The mark of these technologies is that they are greeted with universal skepticism at first.
 E. All are correct.
14) A. They have got to live a man's life, pushing all these things before them, and get on as well as they can.
 B. Swiftly they drew near to the flaming colored suns, and passed close beside them.

- C. According to the agreements reached at WTO, commitment was made by all member countries to keep import tariffs low and eliminate all non-tariff barriers which could curb imports.
 D. When I offered him to help which he needed, he persisted in refusing it, so I left him to his fate.
 E. She has refused to evacuate Malta.
15) A. Would she ever outgrow the things mama had taught her?
B. He was not a very large man, but was well formed and had a beautiful face—calm and serene as the face of a fine portrait.
C. She only understood the movie because she had read the book.
D. She had offered a temporary assignment but she turned it down saying that she would accept only a permanent one.
E. We were not able to get a hotel room because we had not booked in advance.
16) A. He was willing to admit he was wrong, but he wasn't going to grovel.
B. The debacle of the party admits no other explanation than its poor performance.
C. You've wanted this all your life; admit it.
D. Whether we want to admit it or not, we all wish everyone would like us.
E. At least I admit I'm jealous – and I have every reason to be.
17) had been taken from her body had been artificially fertilized.
B. Without answering, he headed for the fireplace and opened the wood box.
C. The voice and words belonged to Josh, and yet he had been dead for more than two years.
D. When it slowed for the drive, the dust caught up, hiding it in a swirling cloud.
E. The plan was to go for the cinema and then have dinner but Raj's late arrival upset the whole thing.
18) A. She was looking impatient at the unwanted visitor who showed no signs of leaving the room.
B. I've travelled many miles since my last and I'm becoming impatient for company.
C. There was an impatient note in his master's friend's voice that scared him.
D. She grew impatient waiting for the guardsmen to return.
E. All are correct.
19) A. At some point, that stopped bugging her and became an attraction.
B. Tiger finished the round at tenth, seven strokes behind the leaders.
C. They are at loggerheads over how best to tackle the fiscal cliff.
D. Don't go by his appearance, he is capable at doing any work without any hesitation.
E. The city was at the mercy of the occupying forces.
20) A. Walking north into the wind that is blowing south is an example of walking against the wind.
B. It is easy to see that a lawyer's demeanour in court may be prejudicial against the interests of his client.

C. The second favourite won the race at odds of two to one against.

D. He stands out against his local classmates.

E. All are correct.

Q21 to 30. Read the following passage carefully and answer the questions given below it. Certain words are given in bold to help you locate them while answering some of the questions.

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 nearstagnation 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.

21. 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

22. 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. Only A and B.
- C. Either (A) or (C)
- D. Both (B) and (C)
- E. All (A), (B) and (C)

23. 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)

24. 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

25. 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.

26. Choose the word which is MOST similar in meaning to the word printed in bold color as used in the passage.

stimulate

A. Harmony

B. Convulsion

C. encourage

D. wonder

E. stagnation

.Choose the word which is MOST similar in meaning to the word printed in bold color as used in the passage.

27) Stagnation

A. Creditable

B. stability

C. respectable

D. deplorable

E. good

28) Reciprocal

A. corresponding

B. complementary

C. unilateral

D. Accrued

E. Abased