

ENGLISH Practice Set 2

Directions (Questions.01-10): Read the passage carefully and answer the questions given below it. Certain words/phrases are given in bold to help you locate them while answering some of the questions.

Black money or illicit money has been defined by the Ministry of Finance in its report 'White Paper on Black Money' as assets or resources that have neither been reported to the public authorities at the time of their generation nor disclosed at any point of time during their possession. This would include money earned from crime (such as drug trafficking, smuggling, arms trafficking, and sexual exploitation tax **evasion** (such as underreporting revenues and inflating expenses). Although the focus of the black money debate in the country has been money by the Central Board of Direct Taxes. "Measures of Tackle Black Money in India and Abroad", the main method for generation of black money in India is through commercial tax evasion by underreporting revenues and inflating expenses adopted by a range of business entities.

While estimating the scale of illicit or black economy in the country is difficult, some attempts have been made to measure this globally. According the Global Financial Integrity (GFI), a Washington DC - based organisation, from 2002 to 2011, developing countries lost US\$ 343.9 billion from 2002 to 2011, which they claim is a conservative estimate. These estimates do not include the movement of illegal money through the hawala system, smuggling and cross-border cash transactions - all of which are significant in the Indian context. GFI estimates that for every \$1 that poor nations receive in foreign aid, \$ 10 in illicit money flows **offshore**. This movement of money out of developing countries, including India, is **facilitated** by a network of over 60 tax havens which enables setting up of *benami* trusts or corporations ensuring that the real owners of the business remain unknown. According to Tax Justice Network, an international coalition of researchers, the global super - rich have at least \$ 21 trillion hidden in secret tax havens at the end of 2012. In 2011, Government of India had **commissioned** three national - level institutes - National **commissioned** three national - level institutes - National Institute of Public Finance and Policy (NIPFP). National Institute of Finance Management (NIFM) and National Council of Applied Economic Research (NCAER) - to assess and provide estimate of the extent to black money in India. Once the reports are published, there might be additional clarity on the scale of this problem in the country. While the methodology and importance of addressing the issue. It is especially significant in developing countries where there is a substantial need to expand public revenues to meet the growing needs for developmental expenditure.

Adding to the **complexity** of this outflow of unaccounted money is that this wealth is not simply lying in foreign bank accounts to be recovered or brought back to the country. In reality, a large portion of this money comes back into India by a process known as 'round tripping', i.e. the money that left the country and ended up in a tax haven is invested back into the country as 'white' money. But there is no data or analysis on how much of the black money is round - tripped and comes back into the country.

1. What, according to the Ministry of Finance, is black money? Given your answer in the context of the passage.

- A. Black money refers to funds earned in the black market.
- B. Assets or resources that have neither been reported to the public authorities at the time of their generation not disclosed at any point in time during their possession.
- C. Black money comprises money earned from crimes such as drug trafficking, smuggling and arms trafficking, corruption and commercial tax evasion.
- (a) Only (A), (B) (b) Only (B) (c) Only ((A)
(d) Only (B) and (C) (e) All (A), (B) and (C)
- 2). What is the main method for generation of black money in India?
- (a) Underreporting of incomes by private institutions
(b) Commercial tax evasion
(c) Drug trafficking and smuggling of god
(d) Bride receive by politicians for helping bureaucrats
(e) All the above
- 3). Find the incorrect statement on the basis of the given passage?
- (a) According to GFI, from 2002 to 2011, developing countries lost US\$ 5, 9 trillion to illicit outflows.
(b) During 2002 to 2011, China topped the list of losers due to illicit outflows.
(c) During 2002 to 2011, India stood at the fifth place in the list of losers which cumulative outflows worth US\$ 343.9 billion
(d) The estimate of loss excludes the movement of illegal money through hawala system
(e) None of these
- 4). How does the movement of money out of developing countries taken place? Given your answer in the context of the passage.
- (a) The movement of money takes place in the form of either cash or in the form of gold biscuits.
(b) The movements of money are facilitated by a network of tax havens which enables setting up of *benami* trusts of corporations.
(c) The movement of money out of developing countries takes place only through double - entry bookkeeping system
(d) The movement of money takes place by means of electronic funds transfer.
(e) None of these
- 5). What is round tripping? Answer in the context of the passage.
- (a) This is a process of bringing black money into the country to which it belongs.
(b) This is a process of converting money of a country either into USD or into Euro
(c) This is a process of converting money leaving the country and ending up in a tax haven is invested back into the country as white money.
(d) Round tripping is a legal process of converting black money by paying fixed amount of tax as per the tax laws of the country where the black money is deposited
(e) All the above

Directions (Questions.06-08): Choose the word/group of words which is MOST SIMILAR in meaning to the word/group of words printed in bold as used in the passage.

6. Evasion

- (a) attacking (b) exchange (c) dodging
(d) excavation (e) openness

7. Offshore

- (a) outward (b) middle east (c) unaccounted
(d) relentlessly (e) overseas

8. Facilitated

- (a) expedited (b) poised (c) obstructed
(d) blocked (e) impeded

Directions (Questions.09-10): Choose the word/group of words which is **MOST OPPOSITE** in meaning of the word/group of words printed in bold as used in the passage.

9. Commissioned

- (a) entrusted (b) cancelled (c) enabled
(d) empowered (e) nominated

10. Complexity

- (a) intricacy (b) ramification (c) multiplicity
(d) simplicity (e) perplexity

Direction (Questions11-20) In the following passage, some of the words have been left out, each of which is indicated by a number. Find the suitable word from the options given against each number and fill up the blanks with appropriate words to make the paragraph meaningfully complete.

If the IRDA is serious about policyholder protection, there are other areas to be (11) on a (12) too. Traditional insurance plans have one of the highest cost structures among financial products, with 15 to 40 per cent of the first year premium (13) as agent fees. This need to be (14) and the front-ending of fees, which incentivises agents to (15) customers, stopped. For the products (16) as investment plans, simple and standardized disclosures on investment patterns and charges must be made (17), without needlessly (18) clauses on fund values, sum assured, bonuses and death benefits. The IRDA must also continue to pressure the industry to improve its claims settlement record. In 2013-14, private life insurers (19) 14.5 percent of claims, with the ratio for some as high as 25-30 per cent. Reducing this is the first step to (20) policyholders' confidence in insurance products.

11. (a) attacked (b) tackled
(c) avoided (d) preoccupied
(e) solved
12. (a) precedence (b) seniority
(c) priority (d) importance
(e) haste
13. (a) appropriated (b) devoted
(c) kept (d) refused
(e) appointed
14. (a) unleashed (b) egged on
(c) liberated (d) moderated
(e) done
15. (a) rebuke (b) apologies (c) drive away (d) fight (e) churn

16. (a) rejected (b) used (c) pitched (d) conformed (e) labeled
 17. (a) mandatory (b) indisposed (c) needful (d) complete (e) required
 18. (a) facile (b) arduous (c) mixed (d) any (e) complicated
 19. (a) claimed (b) repudiated (c) underwritten (d) offered (e) gave
 20. (a) recognize (b) survive (c) wane (d) reviving (e) lessen

Directions (Q.21-25): Rearrange the following six sentences (A), (B), (C), (D), (E) and (F) in the proper sequence to form a meaningful paragraph and then answer the questions given below.

- A. The reasons for the nationalization of the industry are concerned mostly with the unethical practices adopted by some of the players against the interest of the insurance consumers.
 B. The Indian insurance Industry is as old as it is in any other part of the world.
 C. Along with these achievements there, however, also grew a feeling of insensitivity to the needs of the market which probably led to a feeling amongst the public that the insurance industry was not fully responsive to customer needs.
 D. The first insurance company in India was started in 1818 in Kolkata.
 E. Nationalization has lent the industry solidity, growth and outreach, which is unparalleled.
 F. We had a number of foreign and Indian insurance companies operating in the Indian market till the nationalization of the industry took place.
21. Which of the following should be the **FIRST** sentence after rearrangement?
 (a) E (b) B (c) A (d) C (e) D
22. Which of the following should be the **SECOND** sentence after rearrangement?
 (a) F (b) E (c) D (d) C (e) B
23. Which of the following should be the **THIRD** sentence after rearrangement?
 (a) A (b) E (c) D (d) F (e) C
24. Which of the following should be the **FOURTH** sentence after rearrangement?
 (a) F (b) E (c) D (d) A (e) B
25. Which of the following should be the **LAST (SIXTH)** sentence after rearrangement?
 (a) B (b) A (c) F (d) E (e) C

Directions (Questions. 26 to 30): In the following questions, a sentence has been given with some of its parts in bold, to make the sentence grammatically correct replace the bold part with correct alternative options given below. If the sentence correct as it is given option 'D' (No correction require(d)).

26. In the past two years, Goa witnessed high growth in household **saving and was one of the few state** where inflation declined.
 (a) saving and was the few states
 (b) saving and were one of the few states
 (c) savings and was one of the few states
 (d) savings and has one of the few states
 (e) No correction required
27. India should not tolerate Chinese **incursion of its territory** and realize that appeasement of an assertive China is a recipe for global marginalization.
 (a) incursion of their territory
 (b) incursion of his territories

- (c) incursion besides its territory
(d) incursions into its territory
(e) No correction required
- 28). **By deciding** to allow the Indian private sector to bid for the entire lot of six submarines, the government has ended a debate.
(a) Deciding to (b) Decision to
(c) Through deciding (d) To decide to
(e) No correction required
- 29). To illustrate my point, **I have been taking** the example of three cars from three different segments.
(a) I have taken (b) I might take
(c) I ever take (d) I could be taking
(e) No correction required
- 30). The congress working committee **will be restructure** and young faces will be inducted.
(a) will restructure (b) will be restructured
(c) will have restructured (d) can restructure
(e) No correction required

Answers:

- 1) (d) 2) (b) 3) (e) 4) (b) 5) (c) 6) (c) 7) (e) 8) (a) 9) (b) 10) (d) 11) (b) 12) (c) 13) (a) 14) (d) 15) (e) 16) (c) 17) (a) 18) (e) 19) (b) 20) (d) 21) (b) 22) (c) 23) (d) 24) (d) 25) (e) 26) (c) 27) (d) 28) (e) 29) (a) 30) (b)