

LOD-2

Direction (1 to 5): Five sentences denoted by A, B, C, D and E have been given. Identify the odd sentence and arrange rest of the four sentences in such a way that they make a meaningful paragraph.

1. (A) Treasury bills are issued when the government needs money for shorter period while bonds are issued when it needs debt for more than five years.
 (B) Hence, they are categorized as money market instruments as money market deals with funds with maturity of less than one year.
 (C) Treasury bills are usually held by financial institution including banks.
 (D) When the government goes to financial market to raise money, it can do it by issuing two types of debt instruments- treasury bills and government bonds.
 (E) Treasury bills, are generally shortened as T-bills, have maximum maturity of 364 days.
 (a) BEAC (b) ABDE
 (c) CAEB (d) DAEB
 (e) ADEC
2. (A) The ability to pay taxes is a way to redistribute the wealth of a nation.
 (B) This principle is an economic term that states that those who have more resources or earn higher income should pay more taxes.
 (C) A taxpayer, for example, pays direct taxes to the government for different purposes, including real property tax, personal property tax, income tax or taxes on assets.
 (D) Direct taxes cannot be passed onto a different person or entity and the individual or organization upon which the tax is levied is responsible for the fulfillment of the full tax payment.
 (E) Direct taxes are based on the ability-to-pay principle.
 (a) BEAC (b) ABDE
 (c) CAEB (d) BACA
 (e) EBAD S
3. (A) After which she can herself operate it but deposits in the account may be made by the guardian or any other person or authority.
 (B) Finance Minister Arun Jaitley had announced the scheme in his budget speech in March.
 (C) The government has notified 'Sukanya Samridhi Account', a new small savings instrument for the girl child that could be operated by her after the age of 10.
 (D) The account could be opened in a post office or a public sector bank.
 (E) The account can be opened and operated by the natural or legal guardian of a girl child till she attains the age of 10,
 (a) BEAC (b) ABDE
 (c) CEAD (d) EBCA
 (e) DAEC
4. (A) Power is primarily used by the farmers for irrigation objectives.
 (B) The electricity subsidies imply that the government charges low rates for the electricity supplied to the farmers.
 (C) The State Electricity Boards (SEBs) either generate the power themselves or purchase it from other producers such as NTPC and NHPC.
 (D) Power subsidy "acts as an incentive to farmers to invest in pumping sets, bore-wells, tube wells etc.
 (E) It is the difference between the cost of generating and distributing electricity to farmers and price received from farmers.
 (a) EBAC (b) ABDE
 (c) CAEB (d) BEAD
 (e) DAEC
5. (A) To turn their dreams of increasing in sale, earning high profit etc into reality all businessmen have to think about future and make predictions and achieve target.
 (B) Plans are always developed for a fixed time period as no business can go on planning endlessly.

place of blank to make it a meaningful sentence and mark it as your answer.

11. What truly sets apart India's higher judiciary is the _____ to select its very own: through that cosy cabal of a clique that we call the "collegium".
- Favourable freedom
 - Enviably freedom
 - Desirable liberty
- (a) Only i (b) Only ii
(c) Only iii (d) None of these
(e) All are correct
12. This is a freedom _____ from a rather tortuous reading of the Constitution some decades ago when the Supreme Court decided that the collegium would predominate over judicial appointments, to the near exclusion of all other stakeholders.
- Pushed out
 - Ferreted out
 - Given out
- (a) Only i (b) Only ii
(c) Only iii (d) None of these
(e) All are correct
13. All of this forces us to ask that _____ question: how do we judge our judges? For this, we must have some measurable metric of merit, and a transparent one at that.
- Perpetually puzzling
 - Eternally enigmatic
 - Temporarily puzzling
- (a) Both i and ii (b) Both ii and iii
(c) Both i and iii (d) Only i
(e) All are correct
14. Given that the collegium has operated in a _____ for more than two decades now, this is nothing short of revolutionary.
- Mask of privacy
 - Shroud of secrecy
 - Cloak of confidentiality
- (a) Only i (b) Only ii
(c) Both i and ii (d) Both ii and iii
(e) All are correct
15. Given the _____ of some decisions, it is well-nigh impossible to locate the "ratio" of a decision (legal terminology for the operative part of a judgment).
- Volubility
 - Verbosity
 - Brevity

- (a) Only i (b) Only ii
(c) Both i and ii (d) Both i and iii
(e) All are correct

Directions (16 to 20): Direction:-Which part of the sentence is/are grammatically correct

16. "There was fog in Delhi, which delayed the take-off from Mumbai and when the plane finally got permission to take (a) flight, two ladies decided that they did not want to go," he (b) explained. Goyal, who is known for his volatile temper in unfavourable situations, surprisingly does not express (c) rage and kept waiting as "all the baggages was rechecked and the two ladies deplaned, causing another 40 minutes of delay".(d) No error. (e)
- (a) Only a (b) Only a & b
(c) Only b & c (d) Only c & d
(e) No Error
17. The mid-term review of FTP is aimed at mid-course (a)/ correction. It was to be announced in July 1, together (b)/ with the implement of the GST regime. But the announcement (c)/ was postponed to take into account feedback (d)/ in the export sector regarding GST-related issues.(e)
- (a) only (a), (c), and (e) (b) Only (a) and (d)
(c) only (b), (d) and (e) (d) Only (a) and (e)
(e) All correct
18. Revenue uncertainty due to the implementation of the (a)/ Good and Services Tax could pose very real (b)/ problems for the government when the time come for it (c)/ to prepare the Budget for financial year 2018-19, according to (d)/ tax analysts and government officials alike.(e)
- (a) Only (a), (c), and (e) (b) Only (c) and (d)
(c) Only (b), (d) and (e) (d) Only (a), (d) and (e)
19. "On a normal year, businesses are conversant (a)/ with the tax processes, and so (b)/ know their tax liability, so the (c)/ collections are usually in line with (d)/ what are anticipated," he said. (e)
- (a) Only (a), (b), and (e) (b) Only (b), (c) and (d)
(c) Only (b), (d) and (e) (d) Only (a) and (e)
(e) All correct
20. Another issue is the Budget-making (a)/ process will not able to incorporate (b)/ the recent and drastic rate (c)/ reductions, since they came into (d)/ affect on November 15.(e)
- (a) Only A, C, and E (b) Only (a), (c) and (d)
(c) Only B, D and E (d) Only (d) and (e)

(e) All correct

Directions (21-30): Read the passage carefully and answer the following questions.

Expansion of employment opportunities has been an important objective of development planning in India. There has been a significant growth in employment over the years. However, a relatively higher growth of population or labour force has led to an increase in the volume of unemployment from one plan period to another. The Thirteenth Five Year Plan aims at bringing employment into a sharper focus in a medium-term perspective with the goal of reducing unemployment to negligible level within the next ten years. Such an approach is now considered necessary also because it is realized that larger and efficient use of available human resources is the most effective way of poverty alleviation, reduction in inequalities and sustenance of a reasonably high pace of economic growth.

While approaching employment as an objective of the Plan, employment generation and economic growth are to be treated as mutually complementary rather than conflicting processes. Employment has to be generated in the process of economic growth and it should contribute to the acceleration of, economic growth. Employment, to be gainful and sustainable, has, therefore, to be productive in character, it should be able to yield a reasonable level of income to the worker and also generate surplus for further growth.

Improvement in the productivity of work-force assumes particular significance in our economy where low productivity and low incomes of a large mass of employed persons constitute a problem of much higher dimensions than unemployment, measured conventionally in terms of involuntary idleness. Incidence of invisible unemployment or underemployment is a situation of work with very low levels of productivity and income. This phenomenon is likely to be more marked in a situation of rapidly changing technologies and work organisation. It would also, therefore, be necessary to intervene on the supply side of the labour market with a view to improving the employability of workers in general, and promoting such institutional structures and arrangements for training and skill up gradation which could speedily respond to rapidly changing requirements of productive activities, in particular.

There will always be some level of unemployment, even in a healthy economy. This lowest level of unemployment is natural unemployment. Cyclical

unemployment is caused by the contraction phase of the business cycle. That's when demand for goods and services fall dramatically, forcing businesses to lay off large numbers of workers to cut costs. Cyclical unemployment tends to create more unemployment. This is because the laid-off workers have less money to buy the things they need, further lowering demand. Frictional unemployment is when workers leave their old jobs but haven't yet found new ones. Frictional unemployment is short-term and a natural part of the job search process. In fact, frictional unemployment is good for the economy, as it allows workers to move to jobs where they can be more productive. Structural unemployment is when shifts occur in the economy that creates a mismatch between the skills workers have and the skills needed by employers. A long recession often creates structural unemployment. If workers stay unemployed for too long, their skills have likely become outdated. Seasonal unemployment results from regular changes in the season. Classical unemployment is also known as "real wage unemployment" or "induced unemployment." It's when wages are higher than the laws of supply and demand would normally dictate.

Unemployment is a reason for alarming concern in India today. The root of the problem can be traced to a host of reasons that contributes collectively towards this problem.

India's GDP projections for year 2018 is 7.5% but that growth does not currently translates into creating more employment opportunities for the labour force of the country. On the other hand, literacy rates have raised in the last few decades, there still remains a fundamental flaw in the education system in India. The curriculum is mostly theory-oriented and fails to provide vocational training required to match up with current economic environment. Rapid growth of population is the major reason for increasing unemployment in the country. The five-year plans implemented by the government have not contributed proportionately towards generation of employment. The assumption was that growth in economy will automatically generate enough employment. But in reality the scenario doesn't quite match up to the assumption.

Unemployment casts some short term ripples throughout the economy by reducing an individual's contribution in terms of services and taxes. The unemployed also does not possess the power of purchase, thus in effect contributing to bringing down demand of goods in the market and creating more unemployment.

This vicious cycle creates a cascading effect throughout the economy and trickles down to different social strata.

21. According to the passage, which of the following types of unemployment has been indicated as good sign?
- natural unemployment
 - classical unemployment
 - cyclical unemployment
 - structural unemployment
 - frictional unemployment
22. According to the passage, which of the folio wings will not be counted as the cause of unemployment in India?
- faulty education system
 - population growth
 - economic growth with inadequate employment opportunities
 - slow industrialization
 - faulty employment planning
23. According to the passage, what is the most effective way of reducing poverty?
- equal distribution of income and wealth
 - effective government policies
 - proper distribution of factor of production
 - efficient use of human resources
 - effective education system
24. According to the passage, which of the folio wings is more complex situation?
- unemployment
 - cyclic unemployment
 - underemployment
 - seasonal unemployment
 - long term unemployment
25. Which of the following statements is true in the context of the passage?
- India's GDP projections for year 2018 is 5.7%
 - The five-year plans implemented by the government have not contributed

- proportionately towards generation of employment.
- Cyclic unemployment is also known as real wages unemployment.
 - None of the above
 - All are true
26. Find the incorrect statement on the basis of the given passage.
- Employment should generate the surplus for future growth.
 - Structural unemployment is caused when there is mismatch between the skills workers have and the skills needed by employers.
 - Unemployment casts the long term ripple throughout the economy.
 - Unemployed person does not possess the power of purchase.
 - All are correct
27. Choose the word which as same meaning as the word alleviation
- intensification
 - expansion
 - abatement
 - escalation
 - amplification
28. Choose the word which as same meaning as the word vicious
- pleasing
 - amusing
 - droll
 - witty
 - depraved
29. Choose the word which as opposite meaning as the word recession
- depression
 - melancholy
 - dejection
 - glee
 - glumness
30. Choose the word which as opposite meaning as the word conflicting
- contradictory
 - consistent
 - incompatible
 - discordant
 - dissonant

> **ANSWER KEY**

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

DETAILED EXPLANATIONS

- 1. When the government goes to financial market to raise money, it can do it by issuing two types of debt instruments- treasury bills and government bonds.**

Treasury bills are issued when the government needs money for shorter period while bonds are issued when it needs debt for more than five years.

Treasury bills, are generally shortened as T-bills, have maximum maturity of 364 days.

Hence, they are categorized as money market instruments as money market deals with funds with maturity of less than one year.

Treasury bills are usually held by financial institution including banks.

This passage is about treasury bills. According to the passage, when government wants to fulfill its money requirement from financial market it can issue two types of debt instruments. These are Treasury bill and government bonds. Government issues treasury bills when it needs money for shorter period of time and bonds are issued when government needs money for longer period of time. Generally Treasury bills are abbreviated as T-bills have maximum maturity of 364 days. Treasury bills are money market instruments.

- 2. Direct taxes are based on the ability-to-pay principle.**

This principle is an economic term that states that those who have more resources or earn higher income should pay more taxes.

The ability to pay taxes is a way to redistribute the wealth of a nation.

Direct taxes cannot be passed onto a different person or entity and the individual or organization upon which the tax is levied is responsible for the fulfillment of the full tax payment.

A taxpayer, for example, pays direct taxes to the government for different purposes, including real property tax, personal property tax, income tax or taxes on assets.

This passage is about direct taxes. According to the passage, the direct taxes are based on the theory of ability-to- pay. This theory says that the person who earns more should pay more taxes. The main concept behind this theory is to reduce the unequal distribution of income and wealth in the nation. The direct tax cannot be

passed on to anybody else as it is paid by the individuals and organisation upon whom it is imposed.

- 3. The government has notified 'Sukanya Samridhhi Account', a new small savings instrument for the girl child that could be operated by her after the age of 10.**

The account can be opened and operated by the natural or legal guardian of a girl child till she attains the age of 10,

After which she can herself operate it but deposits in the account may be made by the guardian or any other person or authority,

The account could be opened in a post office or a public sector bank.

Finance Minister Arun Jaitley had announced the scheme in his budget speech in March.

This passage is based on the scheme for girl child. According to the passage, the government has launched a saving account scheme (sukanya smariddhi account) for girl child and she will be able to operate this account after the age often years. The natural or legal guardian of the girl child can open and operate the account till she attains the age of ten years. After the age of ten years, she can herself operate the account but deposit in the account can be made by the guardian. This account can be opened in any public sector banks or post office.

- 4. The electricity subsidies imply that the government charges low rates for the electricity supplied to the farmers.**

It is the difference between the cost of generating and distributing electricity to farmers and price received from farmers.

Power is primarily used by the farmers for irrigation objectives.

Power subsidy "acts as an incentive to farmers to invest in pumping sets, bore-wells, tube wells etc.

The State Electricity Boards (SEBs) either generate the power themselves or purchase it from other producers such as NTPC and NHPC.

This passage is based on the power subsidies to the farmers. According to the passage, electricity subsidies mean that the government charges low rates for the electricity provided to the farmers. It is difference between the amount which government spend on generation of electricity and the amount which farmers pay for the usage of electricity. The farmers generally use

electricity for the irrigation. Power subsidy works as an incentive to the farmers to invest in pumping sets etc.

6. The meaning of the phrase "embark on" is "to start to do something new or difficult" and phrase has been applied properly in all the sentences.

5. All organizations whether it is the government, a private business or small businessman require planning.

To turn their dreams of increasing in sale, earning high profit etc into reality all businessmen have to think about future and make predictions and achieve target.

Planning can be defined as "thinking in advance what is to be done, when it is to be done, how it is to be done and by whom it should be done".

It can also be defined as setting up of objectives and targets and formulate the actions plan to achieve them.

Plans are always developed for a fixed time period as no business can go on planning endlessly.

This passage is about the importance of planning. According to the passage, all types of organizations (public or private and big or small) need planning to turn their dreams of earning profit into reality. Planning can be defined as "deciding in advance" what to do, how to do and who is to do it. It can also be defined as setting up the organizational goals and formulate the action plans to achieve them.

7. The meaning of the phrase "drag on" is "to continue for longer than you want or think is necessary" and phrase has been applied properly in i, ii and iv sentences.

8. The meaning of the phrase "hold out on" is "Refuse to give something, typically information, to (someone)" and phrase has been applied properly in i, ii and iii sentences.

9. The meaning of the phrase "phase out" is "to gradually stop using something" and phrase has been applied properly in i, ii and iii sentences.

10. The meaning of the phrase "thrust aside" is "to refuse to listen to somebody's complaints, comments, etc" and phrase has been applied properly in i, iii and iv sentences.

11. Option E

Explanation: enviable = arousing or likely to arouse envy.

12. Explanation: ferreted out = to fetch sth out

13. (a)

14. (d)

Explanation: shroud = a length of cloth or an enveloping garment in which a dead person is wrapped for burial.

15. Explanation: verbosity = the fact or quality of using more words than needed; wordiness.

16. (c) Use 'did not' in place of 'does not'

(d) Use 'all the baggage' in place of 'all the baggages' because 'baggage' is uncountable noun

17. (b) Use 'on July 1' in place of 'on July 1'

(c) Use 'implementation' in place of 'implement'

(e) Use 'feedback from' in place of 'feedback in'

(e) All correct

18. (b) Use 'goods' in place of 'good'.

(c) Use 'time comes' in place of 'time come'

19. (a) Use 'in a normal year' in place of 'on a normal year'

(e) Use 'what is' in place of 'what are'

20. (b) Use 'will not be able' in place of 'will not able'

(e) Use 'effect' in place of 'affect'

'Effect' is noun

'affect' is verb

21. According to the passage, frictional unemployment is good for the economy, because it allows workers to move to jobs where they can be more productive.

22. "Slow industrialization" has not been mentioned as a cause of unemployment in the passage.

23. It is mentioned in the passage, that efficient use of available human resources is the effective way of reducing poverty.

24. According to the passage, the problem of underemployment is more difficult to solve as underemployment is a situation of work with very low levels of productivity and income.

25. According to the passage, true statement is "the five-year plans implemented by the government have not contributed proportionately towards generation of employment".

26. It is mentioned in the passage that the unemployment casts short term ripple through out the economy by reducing an individual's contribution in terms of services and taxes.

27. The meaning of "alleviation" is "abatement/ decrease/diminishing"

28. The meaning of "recession" is "depression / glumness" and its opposite is "glee / delight".

29. The meaning of "recession" is "depression / glumness" and its opposite is "glee / delight".
30. The meaning of "conflicting" is "opposing / contradictory" and its opposite is "consistent/ reliable".

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