

Passage 1

‘Recent years have brought minority-owned businesses in the United States unprecedented opportunities—as well as new and significant risks. Civil rights activists have long argued that one of the principal reasons why Blacks, Hispanics, and other minority groups have difficulty establishing themselves in business is that they lack access to the sizable orders and subcontracts that are generated by large companies. Now Congress, in apparent agreement, has required by law that businesses awarded federal contracts of more than \$500,000 do their best to find minority subcontractors and record their efforts to do so on forms filed with the government. Indeed, some federal and local agencies have gone so far as to set specific percentage goals for apportioning parts of public works contracts to minority enterprises.

Corporate response appears to have been substantial. According to figures collected in 1977, the total of corporate contracts with minority businesses rose from 77millionin1972to

1.1 billion in 1977. The projected total of corporate contracts with minority businesses for the early 1980’s is estimated to be over 53 billion per year with no letup anticipated in the next decade. Promising as it is for minority businesses, this increased patronage poses dangers for them, too. First, minority firms risk expanding too fast and overextending themselves financially, since most are small concerns and, unlike large businesses, they often need to make substantial investments in new plants, staff, equipment, and the like in order to perform work subcontracted to them. If, thereafter, their subcontracts are for some reason reduced, such firms can face potentially crippling fixed expenses. The world of corporate purchasing can be frustrating for small entrepreneurs who get requests for elaborate formal estimates and bids. Both consume valuable time and resources, and a small company’s efforts must soon result in orders, or both the morale and the financial health of the business will suffer.

A second risk is that White-owned companies may seek to cash in on the increasing apportionments through formation of joint ventures with minority-owned concerns. Of course, in many instances there are legitimate reasons for joint ventures; clearly, White and minority enterprises can team up , ,) to acquire business that neither could acquire alone. But civil rights groups and minority business owners have complained to Congress about minorities being set up as “fronts ” with White backing, rather than being accepted as full partners in legitimate joint ventures.

Third, a minority enterprise that secures the business of one large corporate customer often runs the danger of becoming—and remaining—dependent. Even in the best of circumstances, fierce competition from larger, more established companies makes it difficult for small concerns to broaden their customer bases: when such firms have nearly guaranteed orders from a single corporate benefactor, they may truly have to struggle against complacency arising from their current success.

Question 1: The primary purpose of the passage is to

1. present a commonplace idea and its inaccuracies

2. describe a situation and its potential drawbacks
 3. propose a temporary solution to a problem
 4. analyze a frequent source of disagreement
 5. explore the implications of a finding
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Question 2: The passage supplies information that would answer which of the following questions?

1. What federal agencies have set percentage goals for the use of minority-owned businesses in public works contracts?
 2. To which government agencies must businesses awarded federal contracts report their efforts to find minority subcontractors?
 3. How widespread is the use of minority-owned concerns as “fronts” by White backers seeking to obtain subcontracts?
 4. How many more minority-owned businesses were there in 1977 than in 1972?
 5. What is one set of conditions under which a small business might find itself financially overextended?
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Question 3: According to the passage, civil rights activists maintain that one disadvantage under which minority-owned businesses have traditionally had to labor is that they have

1. been especially vulnerable to governmental mismanagement of the economy
 2. been denied bank loans at rates comparable to those afforded larger competitors
 3. not had sufficient opportunity to secure business created by large corporations
 4. not been able to advertise in those media that reach large numbers of potential customers
 5. not had adequate representation in the centers of government power
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Question 4: The passage suggests that the failure of a large business to have its bids for subcontracts result quickly in orders might cause it to

1. experience frustration but not serious financial harm
 2. face potentially crippling fixed expenses
 3. have to record its efforts on forms filed with the government
 4. increase its spending with minority subcontractors
 5. revise its procedure for making bids for federal contracts and subcontracts
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Question 5: The author implies that a minority-owned concern that does the greater part of its business with one large corporate customer should

1. avoid competition with larger, more established concerns by not expanding
2. concentrate on securing even more business from that corporation

3. try to expand its customer base to avoid becoming dependent on the corporation
 4. pass on some of the work to be done for the corporation to other minority-owned concerns
 5. use its influence with the corporation to promote subcontracting with other minority concerns
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Question 6: It can be inferred from the passage that, compared with the requirements of law, the percentage goals set by “some federal and local agencies” are

1. more popular with large corporations
 2. more specific
 3. less controversial
 4. less expensive to enforce
 5. easier to comply with
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Question 7: Which of the following, if true, would most weaken the author’s assertion that, in the 1970’s, corporate response to federal requirements was substantial

1. Corporate contracts with minority-owned businesses totaled \$2 billion in 1979.
 2. Between 1970 and 1972, corporate contracts with minority-owned businesses declined by 25 percent.
 3. The figures collected in 1977 underrepresented the extent of corporate contracts with minority-owned businesses.
 4. The estimate of corporate spending with minority-owned businesses in 1980 is approximately \$10 million too high.
 5. The 1.1 billion represented the same percentage of total corporate spending in 1977 as did 77 million in 1972.
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Question 8: The author would most likely agree with which of the following statements about corporate response to working with minority subcontractors?

1. Annoyed by the proliferation of “front” organizations, corporations are likely to reduce their efforts to work with minority-owned subcontractors in the near future.
2. Although corporations showed considerable interest in working with minority businesses in the 1970’s, their aversion to government paperwork made them reluctant to pursue many government contracts.
3. The significant response of corporations in the 1970’s is likely to be sustained and conceivably be increased throughout the 1980’s.
4. Although corporations are eager to cooperate with minority-owned businesses, a shortage of capital in the 1970’s made substantial response impossible.
5. The enormous corporate response has all but eliminated the dangers of over-expansion that used to plague small minority-owned businesses.’

Passage 2

'No very satisfactory account of the mechanism that caused the formation of the ocean basins has yet been given. The traditional view supposes that the upper mantle of the earth behaves as a liquid when it is subjected to small forces for long periods and that differences in temperature under oceans and continents are sufficient to produce convection in the mantle of the earth with rising convection currents under the mid-ocean ridges and sinking currents under the continents. Theoretically, this convection would carry the continental plates along as though they were on a conveyor belt and would provide the forces needed to produce the split that occurs along the ridge. This view may be correct: it has the advantage that the currents are driven by temperature differences that themselves depend on the position of the continents. Such a back-coupling, in which the position of the moving plate has an impact on the forces that move it, could produce complicated and varying motions.

On the other hand, the theory is implausible because convection does not normally occur along lines, and it certainly does not occur along lines broken by frequent offsets or changes in direction, as the ridge is. Also it is difficult to see how the theory applies to the plate between the Mid-Atlantic Ridge and the ridge in the Indian Ocean. This plate is growing on both sides, and since there is no intermediate trench, the two ridges must be moving apart. It would be odd if the rising convection currents kept exact pace with them. An alternative theory is that the sinking part of the plate, which is denser than the hotter surrounding mantle, pulls the rest of the plate after it. Again it is difficult to see how this applies to the ridge in the South Atlantic, where neither the African nor the American plate has a sinking part.

Another possibility is that the sinking plate cools the neighboring mantle and produces convection currents that move the plates. This last theory is attractive because it gives some hope of explaining the enclosed seas, such as the Sea of Japan. These seas have a typical oceanic floor, except that the floor is overlaid by several kilometers of sediment. Their floors have probably been sinking for long periods. It seems possible that a sinking current of cooled mantle material on the upper side of the plate might be the cause of such deep basins. The enclosed seas are an important feature of the earth's surface, and seriously require explanation because, in addition to the enclosed seas that are developing at present behind island arcs, there are a number of older ones of possibly similar origin, such as the Gulf of Mexico, the Black Sea, and perhaps the North Sea.

Question 9: According to the traditional view of the origin of the ocean basins, which of the following is sufficient to move the continental plates?

1. Increases in sedimentation on ocean floors
 2. Spreading of ocean trenches
 3. Movement of mid-ocean ridges
 4. Sinking of ocean basins
 5. Differences in temperature under oceans and continents
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Question 10: It can be inferred from the passage that, of the following, the deepest sediments would be found in the

1. Indian Ocean
 2. Black Sea
 3. Mid-Atlantic
 4. South Atlantic
 5. Pacific
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Question 11: The author refers to a “conveyor belt” in in order to

1. illustrate the effects of convection in the mantle
 2. show how temperature differences depend on the positions of the continents
 3. demonstrate the linear nature of the Mid-Atlantic Ridge
 4. describe the complicated motions made possible by back-coupling
 5. account for the rising currents under certain mid-ocean ridges
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Question 12: The author regards the traditional view of the origin of the oceans with

1. slight apprehension
 2. absolute indifference
 3. indignant anger
 4. complete disbelief
 5. guarded skepticism
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Question 13: According to the passage, which of the following are separated by a plate that is growing on both sides?

1. The Pacific Ocean and the Sea of Japan
 2. The South Atlantic Ridge and the North Sea Ridge
 3. The Gulf of Mexico and the South Atlantic Ridge
 4. The Mid-Atlantic Ridge and the Indian Ocean Ridge
 5. The Black Sea and the Sea of Japan
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Question 14: Which of the following, if it could be demonstrated, would most support the traditional view of ocean formation?

1. Convection usually occurs along lines.
2. The upper mantle behaves as a dense solid.
3. Sedimentation occurs at a constant rate.
4. Sinking plates cool the mantle.
5. Island arcs surround enclosed seas.

Question 15: According to the passage, the floor of the Black Sea can best be compared to a

1. rapidly moving conveyor belt
2. slowly settling foundation
3. rapidly expanding balloon
4. violently erupting volcano
5. slowly eroding mountain

Question 16: Which of the following titles would best describe the content of the passage?

1. A Description of the Oceans of the World
 2. Several Theories of Ocean Basin Formation
 3. The Traditional View of the Oceans
 4. Convection and Ocean Currents
 5. Temperature Differences among the Oceans of the World'
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