

# READING COMPREHENSION

**Directions: Read the given passage and answer the questions that follow.**

**Passage - 1 (Full Length)**

After a decade of deliberations towards decarbonising the maritime industry, at its 83rd session, the Marine Environment Protection Committee (MEPC-83) of the International Maritime Organization (IMO) was faced with the challenge of coming to a consensus on a proposed emissions levy on global shipping. The session's objective was to adopt a Market-Based Measure (MBM) that balanced environmental effectiveness with economic fairness. Five distinct proposals were tabled in the meeting. The first was by the International Chamber of Shipping which advocated for a fixed levy per every tonne of CO<sub>2</sub> emitted. Secondly, China proposed a

market-driven approach where ships could trade compliance units and invest in alternative fuels. The European Union suggested a fixed Greenhouse Gas (GHG) levy, managed by an IMO-administered fund

while India propositioned a 'bridging mechanism', which would target only under-compliant ships to bear the financial burden, while rewarding those using Zero or Near-Zero (ZNZ) fuels. Finally, Singapore also joined the fray by proposing an enhanced version of India's model, involving a GHG Fuel Standard (GFS) and a tiered system rewarding surplus emission units and requiring the purchase of remedial units for underperformance.

Even before the debate on MBMs could fully unfold in the IMO, geopolitical tensions took centre-stage. ***The U.S. Trump administration, that had already withdrawn from the Paris Agreement and stripped up the agency that responds to disasters from its climate work related responsibilities, did not participated in the IMO deliberations.*** It warned of "reciprocal measures" if

the EU-backed uniform carbon levy were passed. The MPEC-83 of IMO voted 63 to 16 in favour of accepting Singapore's hybrid model based on India's proposal as the IMO's Net Zero Framework, making international shipping the first global industry to adopt a mandatory emissions levy framework.

Having piloted a compromise formula amidst extremely divergent views, both India and Singapore have claimed credit for the successful outcome. However, the decision of the MEPC-83 is not final yet. Despite the vote, the path to implementation is far from straightforward. The MEPC-83's decision, having approved the Net Zero Framework, now needs to amend Annex VI of the MARPOL convention, which governs air pollution from ships. The amendment will undergo a six-month circulation period among all contracting parties to MARPOL. For final adoption, it requires a two-thirds majority of votes from members present and voting; this means that if all 101 parties participate, at least 67 must support the measure. Even if adopted, the amendment could still be blocked, should one-third of the parties —

provided they account for at least 50% of global shipping tonnage — formally object in writing. Currently, with 63 votes in favour, 16 against, and 22 abstentions, the outcome remains uncertain. The process ahead is critical and could reshape the dynamics of global shipping regulation for decades to come.

The wide range of positions expressed during the MEPC-83 underscores the enduring dominance of national interests in global climate diplomacy. Oil-exporting countries, led by Saudi Arabia, opposed any significant transition to green fuels, prioritising the protection of their fossil fuel markets. In contrast, small island nations and least developed countries advocated for steep carbon levies, seeking to redirect revenues into broader green development initiatives.

Even after voting, scepticism has lingered among shipowners in traditional maritime powerhouses like Greece, who question the necessity and feasibility of a green levy altogether. The range of these responses illustrates the immense challenge the IMO faces in crafting a universally acceptable emissions framework.

<p><b>Q1. Consider these statements about the international shipping emissions framework deliberations:</b></p> <p><b>1. The diplomatic proceedings were characterized by:</b></p> <ul style="list-style-type: none"><li><b>a. Contrasting proposals from various stakeholders</b></li><li><b>b. External geopolitical interferences</b></li><li><b>c. Procedural complexities affecting implementation</b></li></ul> <p><b>2. The emerging regulatory framework features:</b></p> <ul style="list-style-type: none"><li><b>a. A graduated compliance mechanism</b></li><li><b>b. Financial penalties for underperformers</b></li><li><b>c. Incentives for early adopters</b></li></ul> <p><b>3. The post-vote challenges include:</b></p> <ul style="list-style-type: none"><li><b>a. Numerical voting thresholds</b></li><li><b>b. Tonnage-related veto possibilities</b></li><li><b>c. Stakeholder dissatisfaction risks</b></li></ul> <p><b>Which combination best captures the passage's content?</b></p>	<ul style="list-style-type: none"><li><b>A. 1(a), 1(b), 2(a), 2(b), 3(c)</b></li><li><b>B. 1(b), 1(c), 2(a), 2(b), 3(a), 3(b)</b></li><li><b>C. 1(c), 2(a), 2(c), 3(b), 3(c)</b></li><li><b>D. 1(a), 1(b), 2(c), 3(a), 3(c)</b></li><li><b>E. All statements in 1, 2, and 3</b></li></ul>
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**Q2. Consider the following statement regarding the IMO emissions levy process:**

**"Despite achieving majority support at MEPC-83, the approved framework faces multiple implementation hurdles that could potentially derail its adoption."**

**Which of the following can be validly inferred from the passage?**

**(I) The current vote tally falls short of the threshold needed for final implementation.**

**(II) Major shipping nations could form a tonnage-based coalition to block the amendment.**

**(III) The six-month circulation period serves as a cooling-off period for reconsidering positions.**

**(IV) The abstaining nations hold disproportionate influence over the final outcome.**

**A. (I) and (II) only**

**B. (III) and (IV) only**

**C. (I), (II) and (III) only**

**D. (II), (III) and (IV) only**

**E. All of the above**

**Q3. Which statement best captures the passage's central focus?**

- A. The diplomatic triumph of Singapore's hybrid proposal in bridging divergent maritime interests.**
- B. The procedural complexities undermining climate action in international shipping.**
- C. The evolution and uncertain future of the first global industry emissions framework.**
- D. The geopolitical tensions overshadowing technical deliberations on maritime emissions.**
- E. The competing national interests driving positions on decarbonizing international shipping.**



**Q4. Which part of the following sentence contains an error? If there is no error, mark "no error" as your answer.**

***"The U.S. Trump administration, that had already withdrawn from the Paris Agreement and stripped up the agency that responds to disasters from its climate work related responsibilities, did not participated in the IMO deliberations."***

**(I) *The U.S. Trump administration, that had already withdrawn from***

**(II) *the Paris Agreement and stripped up the agency that***

**(III) *responds to disasters from their climate work related responsibilities,***

**(IV) *did not participated in the IMO deliberations.***

- A. (I) and (III) only**
- B. (I) and (IV) only**
- C. (II) and (III) only**
- D. (I), (II), and (IV) only**
- E. All of the above**

**Q5. Read the following statements about the approved Net Zero Framework:**

**(I) It represents a fusion of previously competing regulatory approaches.**

**(II) It achieved unanimous support from developed maritime nations.**

**(III) It balances punitive measures with recognition of compliance.**

**Which combination correctly reflects what can be substantiated from the passage?**

- A. (I) and (II) only**
- B. (I), and (III) only**
- C. (II) and (III) only**
- D. None of the above**
- E. All of the above**

**Q6. Which of the following best captures the author's critique implicit in the passage's final paragraph?**

- A. The MEPC-83 compromise, though symbolically significant, fails to address systemic inequalities in climate governance.**
- B. Procedural delays in MARPOL ratification reflect institutional inertia within the IMO's decision-making processes.**
- C. The hybrid model's reliance on tonnage-based vetoes entrenches the dominance of industrialized maritime powers.**
- D. The persistent prioritization of national economic agendas perpetuates the inadequacy of multilateral environmental frameworks.**

**E. Rhetorical commitments to decarbonization obscure the absence of enforceable accountability mechanisms.**

**Q7. Read the following statements about the implementation timeline for the Net Zero Framework:**

**(I) The framework has received preliminary approval but awaits final procedural steps.**

**(II) The framework's timeline faces potential deliberate obstruction from specific member states.**

**(III) The implementation process consists of a defined sequence of diplomatic actions.**

**Which statement(s) can be definitively concluded from the passage?**

- A. (I) and (III) only**
- B. (II) and (III) only**
- C. (I) and (II) only**
- D. All statements are conclusive**
- E. None of the statements are conclusive**

## **Passage - 2 (Full Length)**

Gold is always considered a haven and a good asset class for hedging. Financial experts suggest investing in it when in doubt or fear — be it of market crashes, volatility, recession, inflation, or hyperinflation. For this reason, not just individuals, even institutional players and countries at large invest in gold.

As per the World Gold Council (WGC) Q4 2025 data, India's gold reserves are at 876.18 metric tonnes, and the Reserve Bank of India (RBI) was the second-highest central bank, after Poland, to purchase gold. India added 72.6 tonnes of gold to its kitty in 2024, raising its gold reserves bar by 9%, thereby putting India in the top 10 countries with the largest gold reserves.

The price of the yellow metal surpassed \$3,500-an ounce

and was at an all-time high on April 22, 2025, owing to geopolitical tensions triggered by the U.S. President Donald Trump's tariff hikes. This is not a one-off moment when gold prices have reacted to the twists and turns in the global geopolitical landscape.

History is replete with instances of gold buying frenzies despite the sticker shock. As per the WGC, around 2,16,265 tonnes of gold have been mined throughout history. So why this gold rush, and what determines gold's price? From the lens of investment, gold is not a 'productive' asset, insofar as regular cash flows. For informed investors, it might remain enigmatic as to why people buy gold when prices are on a tear, despite its 'unproductiveness.' Say for instance, investment in equity offers you part-ownership in a company and access to cash flows, in the form of dividends, in proportion to the number of shares you have purchased. On top of it, when the company grows, it gets reflected in the current market price. Likewise, you gain interest income for bonds, fixed/recurring deposits. Investing in a property gives you

a rental income. But, gold doesn't beget cash flows, and comes with the hassle of maintenance cost and safety concerns.

But financial experts view gold as a tool for hedging, rather than a mode of investment. When a storm of uncertainty unleashes, the anchor of gold keeps you afloat.

<p>Gold is used as a hedge not just against hyperinflation or market volatility, but also against extreme uncertainties. It's an axiomatic historical truth that during the toughest times of India-Pakistan Partition in 1947, millions of people were displaced, and those who carried gold heirlooms felt more secure financially. Gold is easily portable, cashable, and globally accepted, even though it is not considered a currency now. Fixing a price for the yellow metal is not a no-brainer. Multiple factors in the global arena – demand and supply, economic conditions, geopolitical tensions, inflation, the U.S. Fed interest rates, currency fluctuations, Rupee-dollar equation, strength of the U.S. dollar, central bank policies, buying and selling of gold reserves by countries – play a vital role in arriving at the value of gold. On the supply side,</p>	<p>gold mining, recycling, exploration costs also impact its price. In India, factors such as import duties, tax rates, local demand and supply, strength or weakness of Rupee are also taken into account before the final price is fixed. Seasonal trends, such as festivals, weddings or auspicious days, such as Askhaya Tritiya, also boost demand and impact its price.</p>
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**Q1. Read the following statements about gold's investment paradigm:**

**P. Gold's value proposition paradoxically intensifies during periods of highest price appreciation.**

**Q. Gold's investment appeal exists despite its fundamental deviation from conventional asset parameters.**

**R. Gold's performance during uncertainty compensates for its absence of regular financial returns.**

**S. Gold's universal recognition transcends regional economic variations.**

**Which of the following sequences correctly arranges these aspects from most fundamental to most consequential, based on the passage?**

**A.  $P \rightarrow Q \rightarrow S \rightarrow R$**

**B.  $S \rightarrow P \rightarrow R \rightarrow Q$**

**C.  $Q \rightarrow R \rightarrow S \rightarrow P$**

**D.  $R \rightarrow S \rightarrow Q \rightarrow P$**

**E.  $Q \rightarrow S \rightarrow R \rightarrow P$**



**Q2. Consider the following statements regarding India's position in the global gold landscape:**

**(I) India has strategically positioned itself as a dominant force in gold reserve accumulation.**

**(II) India's cultural affinity for gold translates directly into its central bank's acquisition strategy.**

**(III) India's gold reserve growth rate outpaced most global counterparts in the preceding year.**

**(IV) India's domestic gold pricing mechanism functions independently of global determinants.**

**Which of the above statements is/are correct based on the passage?**

- A. (I) and (III) only**
- B. (III) only**
- C. (II) and (IV) only**
- D. (I), (II) and (III) only**
- E. All of the above**

**Q3. Read the following statements regarding gold price determination and mark which ones represent logical cause-effect relationships as presented in the passage:**

**P. U.S. interest rate adjustments → Currency valuation shifts → Gold price fluctuations**

**Q. Geopolitical tensions → Uncertainty perceptions → Increased gold acquisition**

**R. Cultural festivities → Regional demand spikes → Global supply constraints**

**S. Central bank policies → National reserve modifications → International price standardization**

- A. P and Q only**
- B. Q and R only**
- C. P, Q and R only**
- D. Q, R and S only**
- E. All P, Q, R and S**

**Q4. Consider the statement: "Gold's primary appeal emerges from its performance during systemic instability rather than its intrinsic characteristics."**

**Based on the passage, this statement is:**

- A. Accurate, as evidenced by historical precedent during political crises.**
- B. Partially accurate, as both factors contribute to its enduring value.**
- C. Inaccurate, as its physical properties determine its fundamental worth.**
- D. Contradictory to the passage's positioning of gold as a productive asset.**

**E. Insufficient to explain central bank acquisition patterns.**

**Q5. Based on the passage, which of the following parallels best describes gold's function during uncertainty?**

- A. A thermostat controlling room temperature**
- B. A whistleblower exposing corruption**
- C. A mirror reflecting self-awareness**
- D. A vehicle accelerating economic growth**
- E. A parachute slowing descent during a fall**

**Q6. Which of the following phenomena, if observed consistently, would most fundamentally contradict gold's established market behavior as described in the passage?**

- A. Gold reserves being liquidated by central banks during geopolitical conflicts.**
- B. Gold prices dropping sharply following announcements of inflationary monetary policy.**
- C. Gold jewelry purchases declining during traditional cultural celebrations.**
- D. Gold being increasingly used as collateral in high-risk equity investments.**

**E. Gold mining output increasing substantially without corresponding price decreases.**

**Q7. According to the passage, which of the following paradoxical investment behavior can be inferred?**

- A. Central banks accumulate assets that individuals are advised to avoid.**
- B. Market participants pursue assets with increasing intensity as their prices rise.**
- C. Investment decisions prioritize historical precedent over current economic indicators.**
- D. Emotional decision-making supersedes rational analysis in institutional settings.**
- E. Global economic uncertainty leads to predictable local market behaviors.**