Passage

The economic transformation of India is one of the great business stories of our time. As stifling government regulations have been lifted, entrepreneurship has flourished, and the country has become a high-powered center for information technology and pharmaceuticals. Indian companies like Infosys and Wipro are powerful global players, while Western firms like G.E. and I.B.M. now have major research facilities in India employing thousands. India’s seemingly endless flow of young, motivated engineers, scientists, and managers offering developed-world skills at developing-world wages is held to be putting American jobs at risk, and the country is frequently heralded as “the next economic superpower.”  
But India has run into a surprising hitch on its way to superpower status: its inexhaustible supply of workers is becoming exhausted. Although India has one of the youngest workforces on the planet, the head of Infosys said recently that there was an “acute shortage of skilled manpower,” and a study by Hewitt Associates projects that this year salaries for skilled workers will rise fourteen and a half per cent, a sure sign that demand for skilled labor is outstripping supply.  
How is this possible in a country that every year produces two and a half million college graduates and four hundred thousand engineers? Start with the fact that just ten per cent of Indians get any kind of post-secondary education, compared with some fifty per cent who do in the U.S. Moreover, of that ten per cent, the vast majority go to one of India’s seventeen thousand colleges, many of which are closer to community colleges than to four-year institutions. India does have more than three hundred universities, but a recent survey by the London Times Higher Education Supplement put only two of them among the top hundred in the world. Many Indian graduates therefore enter the workforce with a low level of skills. A current study led by Vivek Wadhwa, of Duke University, has found that if you define “engineer” by U.S. standards, India produces just a hundred and seventy thousand engineers a year, not four hundred thousand. Infosys says that, of 1.3 million applicants for jobs last year, it found only two per cent acceptable.  
There was a time when many economists believed that post-secondary education didn’t have much impact on economic growth. The really important educational gains, they thought, came from giving rudimentary skills to large numbers of people (which India still needs to do—at least thirty per cent of the population is illiterate). They believed that, in economic terms, society got a very low rate of return on its investment in higher education. But lately that assumption has been overturned, and the social rate of return on investment in university education in India has been calculated at an impressive nine or ten per cent. In other words, every dollar India puts into higher education creates value for the economy as a whole. Yet India spends roughly three and a half per cent of its G.D.P. on education, significantly below the percentage spent by the U.S., even though India’s population is much younger, and spending on education should be proportionately higher.  
The irony of the current situation is that India was once considered to be overeducated. In the seventies, as its economy languished, it seemed to be a country with too many engineers and Ph.D.s working as clerks in government offices. Once the Indian business climate loosened up, though, that meant companies could tap a backlog of hundreds of thousands of eager, skilled workers at their disposal. Unfortunately, the educational system did not adjust to the new realities. Between 1985 and 1997, the number of teachers in India actually fell, while the percentage of students enrolled in high school or college rose more slowly than it did in the rest of the world. Even as the need for skilled workers was increasing, India was devoting relatively fewer resources to producing them.  
Since the Second World War, the countries that have made successful leaps from developing to developed status have all poured money, public and private, into education. South Korea now spends a higher percentage of its national income on education than nearly any other country in the world. Taiwan had a system of universal primary education before its phase of hypergrowth began. And, more recently, Ireland’s economic boom was spurred, in part, by an opening up and expansion of primary and secondary schools and increased funding for universities. Education will be all the more important for India’s well-being; the earlier generation of so-called Asian Tigers depended heavily on manufacturing, but India’s focus on services and technology will require a more skilled and educated workforce.  
India has taken tentative steps to remedy its skills famine—the current government has made noises about doubling spending on education, and a host of new colleges and universities have sprung up since the mid-nineties. But India’s impressive economic performance has made the problem seem less urgent than it actually is, and allowed the government to defer difficult choices. (In a country where more than three hundred million people live on a dollar a day, producing college graduates can seem like a low priority.) Ultimately, the Indian government has to pull off a very tough trick, making serious changes at a time when things seem to be going very well. It needs, in other words, a clear sense of everything that can still go wrong. The paradox of the Indian economy today is that the more certain its glowing future seems to be, the less likely that future becomes

Ques. Select the correct answer option based on the passage. : Which of these could you infer according to the passage?

Op 1: Wages in the Developing countries are less as compared to wages in the developed countries

Op 2: Wages in the Developing countries are more as compared to wages in the developed countries

Op 3: Wages in the Developing countries are same as wages in the developed countries

Op 4: None of these

Op 5:

Correct Op : 1

Ques. Select the correct answer option based on the passage. : What does "American jobs" in the last line of the first paragraph of the passage imply?

Op 1: Jobs provided by American companies

Op 2: Jobs held (or to be held) by American people

Op 3: Jobs open to only American citizens

Op 4: Jobs provided by the American government

Op 5:

Correct Op : 2

Ques. Select the correct answer option based on the passage. : According to the passage, why India does not have enough skilled labour?

Op 1: The total amount of young population is low

Op 2: The total number of colleges are insufficient

Op 3: Students do not want to study

Op 4: Maximum universities and colleges do not match global standards.

Op 5:

Correct Op : 4

Ques. Select the correct answer option based on the passage. : What can you infer as the meaning of 'stifling' from the passage?

Op 1: Democratic

Op 2: Liberal

Op 3: Impeding

Op 4: Undemocratic

Op 5:

Correct Op : 3

Ques. Select the correct answer option based on the passage. : What is an appropriate title to the passage?

Op 1: Growing Indian Economy

Op 2: Higher education in India

Op 3: India's Skill Shortage

Op 4: Entrepreneurship in India

Op 5:

Correct Op : 3

Ques. Select the correct answer option based on the passage. : In the third sentence of the third paragraph of the passage, the phrase "closer to community colleges " is used. What does it imply?

Op 1: Near to community colleges

Op 2: Like community colleges

Op 3: Close association to community colleges

Op 4: None of these

Op 5:

Correct Op : 2

Ques. Select the correct answer option based on the passage. : According to the passage, what is the paradox of the Indian economy today?

Op 1: The economic progress is impressive, but the poor (earning one dollar per day) are not benefited.

Op 2: The economic progress is impressive disallowing the government to take tough decisions.

Op 3: There is not enough skilled workforce and the government does not realize this.

Op 4: Government is not ready to invest in setting up new universities.

Op 5:

Correct Op : 2

Ques. Select the correct answer option based on the passage. : Why are salaries for skilled workers rising?

Op 1: Companies are paying hire to lure skilled people to jobs.

Op 2: American companies are ready to pay higher to skilled workers.

Op 3: Entrepreneurship is growing in India.

Op 4: There is not enough skilled workers, while the demand for them is high.

Op 5:

Correct Op : 4

Passage

Not Available

Ques. Select the correct answer option based on the passage. : What is the experimental approach being discussed in the first paragraph?

Op 1: Word of mouth Marketing

Op 2: Selling of video-game consoles, bottled water and electric toothbrushes

Op 3: Traditional Advertising

Op 4: None of these

Op 5:

Correct Op : 1

Ques. Select the correct answer option based on the passage. : What is the tone of the passage?

Op 1: Neutral

Op 2: Biased

Op 3: Celebratory

Op 4: Critical

Op 5:

Correct Op : 1

Ques. Select the correct answer option based on the passage. : What can we infer from Walter Carl's statement?

Op 1: Amway and Tupperware are products where word of mouth marketing could be used.

Op 2: Amway and Tupperware are consumers who appreciated word of mouth marketing.

Op 3: Amway and Tupperware are companies who use word of mouth marketing.

Op 4: None of these

Op 5:

Correct Op : 3

Ques. Select the correct answer option based on the passage. : What is the effect of internet on Word-of-mouth marketing?

Op 1: It is impeded by the internet.

Op 2: It is encouraged by the internet.

Op 3: Internet magnifies the moral issues of this marketing technique.

Op 4: Internet has made it obsolete.

Op 5:

Correct Op : 2

Ques. Select the correct answer option based on the passage. : According to the passage, in what order did different companies use word of mouth marketing?

Op 1: Nintendo before Sony, Nestle and Philips.

Op 2: Nintendo after Sony, Nestle and Philips.

Op 3: Nintendo, Sony, Nestle and Philips: all at the same time.

Op 4: None of these

Op 5:

Correct Op : 2

Ques. Select the correct answer option based on the passage. : According to Peter Kim, what happened to Microsoft's marketing campaign for Vista?

Op 1: It succeeded

Op 2: It succeeded with some hiccups

Op 3: It failed

Op 4: None of these

Op 5:

Correct Op : 3

Ques. Select the correct answer option based on the passage. : Where does BzzAgent operate?

Op 1: USA and India

Op 2: USA and UK

Op 3: USA only

Op 4: None of these

Op 5:

Correct Op : 2

Ques. Select the correct answer option based on the passage. : What is the author most likely to agree to in the following?

Op 1: There is not enough evidence to state that word-of-mouth marketing is useful.

Op 2: There is enough evidence to state that word-of-mouth marketing is useful.

Op 3: Evidence shows that word of mouth marketing is a failed technique.

Op 4: Word of mouth marketing is unethical.

Op 5:

Correct Op : 2

Ques. Select the correct answer option based on the passage. : Who are the 'new breed of Maharajas' ?

Op 1: Maharajas who recovered their wealth in 2004.

Op 2: The children of the older Maharajas.

Op 3: The new class of rich people which emerged in India post liberalisation.

Op 4: None of these

Op 5:

Correct Op : 3

Ques. Select the correct answer option based on the passage. : What is the author most likely to agree to as the reason for the inflow of luxury good groups in India?

Op 1: The fast growth in Indian economy leading to bright future prospects.

Op 2: To serve 'the new breed of maharajas'.

Op 3: To serve the tiny fraction of high income groups in India.

Op 4: None of these

Op 5:

Correct Op : 1

Ques. Select the correct answer option based on the passage. : Why do different rules apply to Wal-Mart and luxury good firms?

Op 1: India is encouraging luxury goods while it doesn’t encourage Wal-Mart.

Op 2: India is an attractive market for luxury goods.

Op 3: There are different rules for retail firms and those that sell their own product.

Op 4: India does not have a flourishing counterfeit industry.

Op 5:

Correct Op : 3

Ques. Select the correct answer option based on the passage. : What does Devyani Raman's statement imply?

Op 1: Beautiful clothes are an important luxury item and should be taken care of.

Op 2: The luxury goods market is becoming disorganized.

Op 3: The supply of beautiful clothes is very high.

Op 4: None of these

Op 5:

Correct Op : 2

Ques. Select the correct answer option based on the passage. : What could be the meaning of the word modish, as can be inferred from the context it is used in first line of the passage?

Op 1: Unattractive

Op 2: Stylish

Op 3: New

Op 4: Beautiful

Op 5:

Correct Op : 2

Ques. Select the correct answer option based on the passage. : What is the author most likely to agree to?

Op 1: The current number of dollar millionaires in India is very high.

Op 2: The current number of dollar millionaires in India is low.

Op 3: The current number of dollar millionaires in India match world average.

Op 4: None of these

Op 5:

Correct Op : 2

Ques. Select the correct answer option based on the passage. : What is a good estimate of the middle class population in India today as inferred from the passage?

Op 1: 583m

Op 2: 100,000

Op 3: 58m

Op 4: 300m

Op 5:

Correct Op : 3

Ques. Select the correct answer option based on the passage. : According to the author, which of these is not a problem for the luxury good firms in the Indian market?

Op 1: High import duty.

Op 2: Difficulty in finding retail space.

Op 3: Restriction on firms to enter Indian markets.

Op 4: All of these

Op 5:

Correct Op : 3

PASSAGE-1  
The impressive recent growth of certain sectors of the Indian economy is a necessary but insufficient condition for the elimination of extreme poverty.  
  
In order to ensure that the poorest benefit from this growth, and also contribute to it, the expansion and improvement of the microfinance sector should be a national priority. Studies suggest that the impact of microfinance on the poorest is greater than on the poor, and yet another that non-participating members of communities where microfinance operates experience socio-economic gains — suggesting strong spillover effects. Moreover, well-managed microfinance institutions (MFIs) have shown a capacity to wean themselves off of subsidies and become sustainable within a few years.  
  
Microfinance is powerful, but it is clearly no panacea. Microfinance does not directly address some structural problems facing Indian society and the economy, and it is not yet as efficient as it will be when economies of scale are realized and a more supportive policy environment is created.  
  
Loan products are still too inflexible, and savings and insurance services that the poor also need are not widely available due to regulatory barriers.  
  
Still, microfinance is one of the few market-based, scalable anti-poverty solutions that is in place in India today, and the argument to scale it up to meet the overwhelming need is compelling. According to Sa-Dhan, the overall outreach is 6.5 million families and the sector-wide loan portfolio is Rs 2,500 crore.  
  
However, this is meeting only 10% of the estimated demand. Importantly, new initiatives are expanding this success story to the some of the country's poorest regions, such as eastern and central Uttar Pradesh.  
  
The local and national governments have an important role to play in ensuring the growth and improvement of microfinance. First and foremost, the market should be left to set interest rates, not the state. Ensuring transparency and full disclosure of rates including fees is something the government should ensure, and something that new technologies as well as reporting and data standards are already enabling.  
  
Furthermore, government regulators should set clear criteria for allowing MFIs to mobilize savings for on-lending to the poor; this would allow for a large measure of financial independence amongst well-managed MFIs. Each Indian state could consider forming a multi-party working group to meet with microfinance leaders and have a dialogue with them about how the policy environment could be made more supportive and to clear up misperceptions.  
There is an opportunity to make a real dent in hard-core poverty through microfinance. By unleashing the entrepreneurial talent of the poor, we will slowly but surely transform India in ways we can only begin to imagine today.

Ques. Select the correct answer option based on the passage. : What could be the meaning of the word panacea in the passage?

Op 1: Solution

Op 2: Problem

Op 3: Solution to all problems.

Op 4: Sustainable solution

Op 5:

Correct Op : 3