

Reading Comprehension

Directions (Q. 1 - 15): Read the following 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.

The Indian pharma industry is **flourishing** overseas, touching almost every part of the world. With low cost, speed and high quality advantage, India is gearing up to become the hub for contract research and manufacturing. Having a competitive edge is one thing and maintaining it is another. Canada provides tax benefits up to 46 percent for research carried out within the country. Others like Korea and China without a large pool of scientists make up by facilitating foreign research in every conceivable way. India does not do any of this and faces many **hurdles**—diseases that it has been inflicted with since independence like Malaria and TB. While Indian companies have only focused on reverse-engineering blockbuster drugs from MNCs, overseas scientists have displayed little interest in researching sub-continent-specific diseases as there are more profits and public interest in lifestyle drugs such as obesity which in turn fund their research. In the interest of Indian research industry a decision must be taken quickly on the implementation of data protection laws.

India is one of the few countries where data exclusivity provisions are not prevalent. Data protection is a contentious issue, hotly debated by the government and the industry. A pharma company wishing to market a drug is required to submit data to the drug controller to show that the drug is both effective and safe. The first (originator) company that makes the application for marketing approval has to submit its data relating to the clinical trials to the drug controller, who once satisfied that the drug is safe and effective will register it. Another drug company wishing to market the same drug only requires to show a bioequivalence to the drug of the originator company. Thus, as per the **prevailing** laws, the regulator in India can rely on an innovator's data to approve the competitor's product. While the system in general is responsible for maintaining the necessary secrecy, it is not accountable for the same—the competitor gets an unfair advantage over the innovator even when he is clandestinely abusing an innovator's intellectual property. Consequently research-based pharma companies are being forced to undertake **vital** clinical trials abroad. Huge expenditures are **incurred** overseas, draining precious foreign exchange when this could be done at home at a fraction of the cost.

The product patent law protections required by the TRIPS agreement and brought about by the 2005 amendment to the Patent Act require India to protect undisclosed test data from disclosure and unfair commercial use by competitors. Effective 2005, Indian companies can

no longer copy patent-protected foreign drugs. Some negate the necessity to make data exclusivity a law. They argue that the advocates of making it a law, the MNCs, want the data to be protected absolutely for a period of 5 years. However, in case certain drugs are not available or unaffordable, should the government, for the common good, not be able to exercise powers to get another company to make such drugs?

1. Which of the following is a reason for India's continuing battle with commonplace diseases?
 - 1) Rigid patent laws mean essential foreign drugs are not easily available in India.
 - 2) Newer more effective treatments and drugs are unaffordable.
 - 3) Government does not adequately subsidise drugs required for treatment of these diseases.
 - 4) Research and development of drugs for such diseases is taken up only by advanced countries.
 - 5) None of these
2. Which of the following is/ are TRUE in the context of the passage?
 - A. Countries like China prefer to outsource research to avoid exorbitant cost of research at home.
 - B. Multinational pharma companies are pressurising India to have product patent laws.
 - C. The Indian pharmaceutical industry is booming.
 - 1) Only A 2) Only C 3) Both B & C
 - 4) Both A & B 5) None of these
3. According to the passage, what is the main purpose of data protection laws?
 - 1) To ensure that foreign countries invest in research for drugs to treat diseases like TB
 - 2) To attract Indian scientists back to the country
 - 3) To prevent misuse of research to make profit by competing companies
 - 4) To make clinical trials more acceptable to the public
 - 5) None of these
4. Which of the following measures has Canada taken to be competitive in the pharma industry?
 - 1) It offers blockbuster drugs at highly subsidised rates.
 - 2) It collaborates with foreign research firms.
 - 3) It provides regulatory approvals.
 - 4) It enacts relaxed tax laws.

- 5) None of these
5. Which of the following is/are India's strengths in drug discovery and research?
- A. Relaxed patent laws
 - B. Reverse engineering of foreign blockbuster drugs
 - C. Incentives to foreign companies researching subcontinent diseases
- 1) Only C 2) Both A & C 3) Only A
- 4) All of these 5) None of these
6. According to the author, what is the disadvantage of holding clinical trials abroad?
- 1) Research facilities in India are far more sophisticated.
 - 2) Authenticity of research methodology cannot be monitored.
 - 3) Delayed processing of test data
 - 4) Higher cost resulting in the drain of financial resources
 - 5) The laws abroad are more stringent.
7. The argument against making data exclusivity a law is:
- A. specialised knowledge will be shared.
 - B. it will unfairly favour large western pharma companies.
 - C. it is not in the interest of the general public.
- 1) Only A 2) Both A & C 3) Only C
- 4) Both B & C 5) None of these
8. What is the objective of the TRIPS agreement?
- 1) To allow the government to determine the focus of drug research conducted
 - 2) To ensure India meets international legal requirements
 - 3) To give developed countries an edge in pharma manufacturing
 - 4) To ensure that competing companies do not benefit commercially from using each other's clinical data
 - 5) None of these
9. Which of the following is NOT TRUE in the context of the passage?
- 1) Costs of clinical trials and research are relatively lower in India.
 - 2) India has laws to ensure patent protection, but data exclusivity provisions are not prevalent.
 - 3) China has a large number of well-qualified clinical research personnel which has made it attractive to MNCs.
 - 4) Indian pharma companies can no longer duplicate patent-protected foreign drugs.
 - 5) None of these

10. The Indian pharma industry
- 1) is hampered by severe intellectual property rights laws
 - 2) trails in research on health threats like obesity
 - 3) is the largest growing one in the world
 - 4) only has the expertise to reverse-engineer drugs
 - 5) provides quality research at low cost

Directions (Q. 41 - 43): Choose the word/phrase which is most nearly the SAME in meaning as the word printed in bold as used in the passage.

11. Prevailing
1) popular 2) implemented 3) existing 4) persuading 5) winning
12. Hurdles
1) bars 2) defects 3) rejections 4) protests 5) obstacles
13. Incurred
1) collected 2) included 3) spent 4) experienced 5) adjusted

Directions (Q. 14 - 15): Choose the word/phrase which is most OPPOSITE in meaning of the word printed in bold as used in the passage.

14. Flourishing
1) drooping 2) declining 3) fluctuating 4) opposing 5) lacking
15. Vital
1) practical 2) voluntary 3) negative 4) worthless 5) minimum

Answers

1. 4: And that too only on a small scale.
2. 3: A is not true: cost is not a factor with China.
3. 3: In absence of these the competitor gets an unfair advantage over the innovator.
4. 4: It provides tax benefits up to 46 per cent for research carried out within the country.
5. 5
6. 4: Huge expenditures are incurred overseas, draining precious foreign exchange....
7. 4: Read the last para carefully.
8. 4: Read the first sentence of the last para.
9. 3: China does not have a large pool of scientists.
10. 5 11. 3 12. 5 13. 4 14. 2 15. 4

II

Directions (Q. 1 - 10): Read the following passage carefully and answer the questions given below it. Certain words are given in bold to help you to locate them while answering some of the questions.

Politicians and generals talk of military strategies and manoeuvres but something completely different is needed. Stability will come only when economic opportunities exist, when youth can find jobs and support families rather than seeking their livelihood in violence. Peace can only be achieved with a withdrawal of foreign troops, sanctions and peacekeepers and the arrival of jobs, productive farms and factories, healthcare and schools. Repeatedly, the **fragile** peace in impoverished countries has broken down because of the lack of economic follow-up. Despite promises of aid, the actual record of international aid to post-war reconstruction is **deficient**.

Once the war ends, agencies involved in post-war relief efforts fail to understand how to start or restart economic development in a low income setting. They **squander** time, surplus aid funds and opportunities because they are not familiar with local conditions and do not understand their point of view. There are distinct phases of outside help to end a conflict. In the first phase focus is on providing food, water, shelter and medicine to refugees, i.e. humanitarian. In the second, emphasis is on the refugees returning home while in the last phase long-term investments and strengthening of courts is the main focus.

However, once a conflict is over, aid agencies sanctioned by the World Bank send study groups instead of requisite personnel. There is a gap of several years before moving from humanitarian relief to economic development. By the time such help arrives the war has restarted. It is possible to restart economic development through targeted "quick impact" initiatives. Most economies in post-conflict countries are based on agriculture. Providing free packages of seeds, fertilizers and low-cost equipment quickly will ensure that former soldiers will return to their farms and establish their livelihood. But the window of opportunity closes quickly and one has to implement these measures almost immediately.

1. Which of the following is a reason why post-conflict reconstruction efforts have failed?
 - 1) Aid organizations do not understand issues from the perspective of the poor.
 - 2) Rapid economic development in low-income countries.
 - 3) World Bank studies are not valid.
 - 4) International aid organizations become too involved in reconstruction efforts.
 - 5) None of these

2. Where does the problem lie in implementing post-war relief measures?
 - 1) Aid agencies fail to study the situation.
 - 2) Economic development measures are too rapid.
 - 3) Focus on economic development not humanitarian aid.
 - 4) Lack of funds to implement programmes.
 - 5) Lack of essential and qualified personnel.
3. According to the author, how can political stability be achieved?
 - 1) Increasing the number of foreign troops in areas of conflict
 - 2) Depending more on foreign aid
 - 3) Following recommendations given by the World Bank
 - 4) Providing economic opportunities
 - 5) None of these
4. Which of the following is NOT TRUE in the context of the passage?
 - 1) Focus in the first phase of a war is on providing humanitarian aid.
 - 2) Sanctions are not a means to ensure peace.
 - 3) Adequate time must be taken to plan and implement quick impact strategies.
 - 4) Providing employment to the younger generation will prevent wars.
 - 5) Focus on delivering justice through courts should be in the last phase of conflict aid.
5. How can economic development be restarted in an impoverished country?
 - 1) Long-term studies should be commissioned.
 - 2) Retaining soldiers in the army to ensure law and order
 - 3) Restrict number of aid agencies to avoid waste
 - 4) Focusing on agricultural initiatives
 - 5) Deploying peacekeepers in the country
6. What is the benefit of "quick impact" aid?
 - 1) Soldiers earn income from the army and their farms.
 - 2) Providing alternate livelihood to soldiers before war can restart.
 - 3) Free land is given to soldiers.
 - 4) Price of equipment is low.
 - 5) None of these

Directions (Q. 7 - 8): Choose the word that is most nearly the SAME in meaning as the word printed in bold as used in the passage.

7. exist

1) live

2) fit

3) create

4) occur

5) survive

8. squander

- 1) lavish 2) spend 3) displace 4) lose 5) misuse

Directions (Q. 9 - 10): Choose the word which is most OPPOSITE in meaning of the word printed in bold as used in the passage.

9. fragile

- 1) weak 2) lasting 3) long 4) strong 5) unstable

10. deficient

- 1) surplus 2) valued 3) short 4) secure 5) repaired

Answers

1. 1: Read the first two sentences of the second para.
 2.5: Aid agencies send study groups instead of requisite personnel.
 3.4: Stability will come only when economic opportunities exist,
 4.3: Too much time can't be taken as "the window of opportunity closes quickly."
 5. 4: Since most economies in post-conflict countries are based on agriculture.
 6.2: Read the third para carefully.
 7.4 8. 5 9. 2 10. 1

III

JAGIR SINGH has sold red onions at Kotla market in south Delhi every day for the past half-century. Perched on an upturned crate, wrapped tight against the chill air, he offers *spyaz*, a staple for much Indian cooking, for 60 rupees (\$1.33) a kilo, the most he can remember. Business is brisk but most customers pick up only a small handful of onions. That is just as well: wholesale supplies are **tight**, he says, and the quality is poor.

As India's economy grows by some 9% a year, food prices are soaring. In late December the commerce ministry judged that food inflation had reached 18.3%, with pricey vegetables most to blame. Officials have made some attempts to **temper** the rise in the past month—scrapping import taxes for onions, banning their export and ordering low-priced sales at government-run shops. But there is no quick fix.

Heavy rain in the west of India brought a rotten harvest. Vegetables from farther afield—including a politically sensitive delivery from Pakistan—are costly to move on India's crowded, potholed roads. Few refrigerated lorries and poor logistics mean that much of each harvest is wasted. Newspapers allege hoarders (an onion ring?) are **cashing in**.

The biggest problems are structural. Food producers, hampered by land restrictions, **archaic** retail networks and bad infrastructure, fail to meet extra demand from consumers. It was estimated in October that a 39% rise in income per person in the previous five years might have created an extra 220m regular consumers of milk, eggs, meat and fish. Supplies have not kept up with this potential demand.

The broader inflation rate may be a less eye-watering problem than the onions suggest. The central bank has lifted interest rates steadily in the past year and is expected to do so again later this month. Headline inflation fell to 7.5% in November, down by just over a percentage point from October, though it is still above the central bank's forecast of 5.5% for March.

1. **What is responsible for the increased demand amongst consumers for certain food stuff?**

- 1) There has been an increase in the wholesale supplies of this food stuff.
- 2) The vegetables in the market are very highly priced.
- 3) There has been an increase in the incomes of people.
- 4) There is a lack of availability of vegetables in the market
- 5) There has been a surge in population.

2. **Which of the following is not true in the context of the passage?**

- 1) The overall inflation is not as bad as the food inflation in India.
- 2) Help from other countries to counter food inflation has proved to be quite encouraging.
- 3) Government is banning the export of certain types of vegetables in order to check the food inflation.
- 4) Highly priced vegetables are mostly responsible for the increased food inflation.
- 5) All the above statements are true.

3. **Which of the following is/ are the reason(s) for increase in food/ vegetable prices?**

- (i) Bad weather
(ii) Land restrictions
(iii) poor infrastructure for storage and transportation.
- 1) only (ii) 2) only (i) and (iii) 3) only (i) and (ii)
4) only (ii) and (iii) 5) All (i),(ii) and (iii)

4. **Which of the following is / are TRUE in the context of the passage?**

- (i) The interest rates are being raised in India.
(ii) India is witnessing a steady economic growth.

(iii) It has been proven that the food inflation is mainly because of hoarding.

- 1) All (i), (ii) and (iii) 2) Only (i) and (ii) 3) Only (iii)
4) Only (ii) and (iii) 5) None of these.

5. **Which of the following is possibly the most appropriate title for the passage?**

- 1) Food inflation in India. 2) of Onions and Vendors.
3) Food Deficit Worldwide 4) Food Imports n India
5) Benefits to Indian Consumers

6. **What can be said about the sale of onions at present as given in the passage?**

- 1) Vegetables vendors are unwilling to sell onions.
2) People are not buying as much as they used to
3) The sale of onions has picked up and is unprecedented.
4) People are buying more onions than they used to
5) None of these

7. **The usage of the phrase 'Cashing in' in the passage can possibly mean**

- 1) profiting 2) running away 3) paying money
4) bailing out 5) buffering

8. **Which of the following is most similar in meaning to the word 'tight' as used in the passage?**

- 1) firm 2) loose 3) limited 4) taut 5) tense

9. **Which of the following is most similar in meaning to the word 'temper' as used in the passage?**

- 1) displeasure 2) anger 3) rage 4) harness 5) control

10. **Which of the following is most opposite in meaning to the word 'archaic' as used in the passage?**

- 11.1.) simple 2) straightforward 3) modern 4) lively 5) ancient

Answers

1. 3	2. 2	3. 5	4. 2	5. 1	6. 2	7. 1	8. 3	9. 5	10. 3
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IV

Though the last twenty-five years have seen China dazzle the world with its excellent economic performance it has shied away from playing the kind of active role in international affairs that would seem commensurate with its economic weight. This is because traditionally China's politics have been defined by the need for economic development above all else. In the past China's authorities have tended to downplay the country's international clout, choosing to stress instead its developing country status and limited military capabilities. Such modest rhetoric was intended to **allay** the fears that China's rise was causing across its immediate neighbourhood. That Beijing is finally acknowledging its status as a major player in the international system is evidenced by the fact that the President has formally developed a theory of international relations; the concept of a harmonious world. The concept, **encompassing** broad notions of multilateralism, prosperity for all through common development and tolerance for diversity has left world opinion perplexed. These are **commendable** objectives but the theory is short on specifics regarding the means to achieve them.

China's recent willingness to be a more active player internationally stems from complex factors. The country's economic strength—having acquired the largest foreign exchange reserves in the world — is undeniable and reports favour it to be the largest economy in the next quarter of a century. For **sustained** double-digit economic growth China thus has no choice but to become more active internationally. Moreover, as a major proportion of the oil and other natural resources that China needs to feed its growing economy is imported, Beijing has to aggressively woo the countries rich in energy resources, which also represent emerging markets for Chinese products. To ensure a stable security environment within the region and thus facilitate economic growth China played an active role in facilitating negotiations with North Korea. Destabilization of a **potential** flashpoint like the Korean peninsula would lead to a flood of refugees crossing the border, interrupting careful plans of economic rejuvenation of China's North-East. China's growing influence has caused a shift in the geopolitical status quo and its influence is beginning to replace that of the United States and European powers in Africa. China's new diplomacy though has had its share of critics who have expressed their unease at China's military modernisation programme and its willingness to deal with regimes widely condemned as corrupt and oppressive. Despite this when Africa was in need of aid and infrastructure or the US needed help in negotiating with Korea they turned to China. By taking a lead in a variety of international and regional forums, initiating bilateral and military exchanges, and dispensing aid and technical assistance in parts of the world where traditional powers are cautious to tread, China has

signaled that its days of sitting on the sidelines, content to let others shape world affairs, are emphatically over.

1. Why has China traditionally been a passive spectator in global affairs?
 - 1) To safeguard its oil resources
 - 2) To maintain security in its vicinity
 - 3) To conceal its economic predicament
 - 4) To focus on domestic economic growth
 - 5) Economic dominance of the US
2. Which of the following best describes China's current international status?
 - 1) Cause of insecurity among developing nations
 - 2) Largest economy in the world
 - 3) Largest donor of aid to developing countries
 - 4) Pioneer of implementing a "harmonious world" philosophy
 - 5) None of these
3. What has been the fallout of China's increased participation in world affairs?
 - 1) International scrutiny of its economic policies
 - 2) Growth of corruption among politicians
 - 3) Its influence and prestige have grown substantially.
 - 4) Its growth rate has stabilised.
 - 5) None of these
4. On which of the following factors is China's economic growth dependent?
 - A. Increased supply of oil and other natural resources to developed countries
 - B. Success of harmonious world policy
 - C. Political stability in Africa

1) Only C 2) Only A 3) Both A & B 4) All A, B & C 5) None of these
5. Which of the following is TRUE in the context of the passage?
 - 1) China's current political standing internationally is disproportionate to its financial strength
 - 2) China is a reluctant participant in military dialogues.
 - 3) The harmonious world theory is the only utilitarian remedy to the current challenges facing the world
 - 4) The US has recognised and acknowledged China's growing international reputation.
 - 5) China has stopped dealing with corrupt countries because of international pressure.
6. The main purpose behind Beijing's intervention in North Korea is to
 - 1) ensure that the US acknowledges China's growing military influence

- 2) prevent any hindrances to its domestic economic development programmes
 - 3) protect its financial investment in neighbouring countries
 - 4) provide humanitarian assistance to one of its strongest allies Korea
 - 5) None of these
7. Which of the following **CANNOT** be said about China's international relations theory?
- 1) The theory is ambiguous in nature.
 - 2) The theory reflects China's realisation that it occupies a vital place in global affairs.
 - 3) It promotes the concept of common development for all nations.
 - 4) It is a theory which explains China's sustained growth rate.
 - 5) It emphasises achieving prosperity through universal development.
8. Which of the following is **NOT** a step taken by China to cement its role as a world leader?
- A. Providing aid to countries when other nations are unwilling to do so
B. Curtailing its military modernization programme to reassure neighbouring countries
C. Negotiating bilateral treaties only with countries with good human rights records
- 1) Only A 2) Both A & B 3) Both B & C 4) Only B 5) None of these
9. Which of the following is an outcome of Beijing's role in Africa?
- 1) America's influence in the region has reduced.
 - 2) Instability in the region.
 - 3) The amount of aid from Europe and other countries has doubled.
 - 4) The balance of power in Africa has shifted in favour of Europe over the US.
 - 5) None of these
10. Which of the following is/are responsible for China's active international participation?
- A. Rapid economic growth as a result of selling its surplus foreign exchange reserves
B. The need to explore and expand to new markets.
C. The need to modernize its armed forces.
- 1) Only A 2) Both A & B 3) Only B 4) Both B & C 5) None of these

Directions (Q. 11 - 13): Choose the word which is most similar in meaning to the word printed in bold as used in the passage.

11. sustained
- 1) sporadic 2) confirmed 3) steady 4) supported 5) encouraging
12. potential
- 1) promise 2) talent 3) opportunity 4) capable 5) possible
13. encompassing

1) surrounding 2) incorporating 3) enveloping 4) accepting 5) dealing

Directions (Q. 14 - 15): Choose the word which is most opposite in meaning to the word printed in bold as used in the passage.

14. commendable

1) valuable 2) unreliable 3) undeserved 4) unworthy 5) deficient

15. allay

1) strengthen 2) alleviate 3) grow 4) expedite 5) discourage

Answers

1. 4: The passage says "... traditionally China's politics have been defined by the need for economic development above all else."
2. 4: The Chinese President "has formally developed a theory of international relations: the concept of harmonious world"
3. 3: The passage says: "China's growing influence has caused a shift in the geopolitical status quo and its influence is beginning to replace that of the United States and European powers in Africa "
4. 5: A is ruled out because it is in fact China that is in need of this supply And this helps us eliminate 2, 3 and 4. No connection can be made out with C either. Hence 1 is ruled out.
5. 4: When the US needed help in Korea, they turned to China.
6. 2: The passage says: "To ensure a stable security environment within the region and thus facilitate economic growth China played an active role in facilitating negotiations with North Korea."
7. 4: There is no clue regarding this.
8. 3: The crux is that China has been unwilling to compromise on what it thinks to be correct.
9. 1: China is getting the better of both the US and Europe in Africa.
10. 3: Read the first half of the second para.
11. 3 12. 5 13. 2 14. 4 15. 1

V

During a two-day meeting later this week in a stately neo-baroque building in Tokyo, nine men may vote to end one of the oldest periods in the history of central banking— and send one of the clearest signals yet that Japan's economy has finally **emerged** from 15 years of stagnation. Led by governor Toshihiko Fukui, the monetary policy committee at the Bank of Japan (BOJ) will vote on whether to raise its overnight lending rate to 0.25% or leave it at zero, where it has been for more than five years. That shift would not just demonstrate that the BOJ believes the world's second largest economy is now on **sound** footing—it would also have a profound effect on global markets and both corporate and private borrowers.

The rate hike is by no means guaranteed—the BOJ could wait until its next meeting in August or beyond. But out of 41 analysts and traders **surveyed** by Reuters last week 28 said they expect an increase at this week's meeting. Yasunari Ueno, chief market economist at Mizuho Securities, says, "but the possibility for a hike this week is 80% to 90%." If it doesn't happen, there's nonetheless a widespread belief that it will inevitably do so in the next few months—and that the first rise will likely be followed by more.

This conviction is an indication of just how far the Japanese economy has come. Following the stock and property collapses of the early '90s, most businesses and consumers drastically cut their spending and investments. With demand falling, prices dropped too, **exacerbating** businesses' unwillingness to invest in new ventures, and Japan found itself in a disastrous deflationary spiral. In **desperation**, the BOJ reduced interest rates to zero in 1999, but it had little impact for years because Japanese companies were hobbled by so many other problems, like bloated payrolls and debt-laden balance sheets. Under the reform agenda initiated by Prime Minister Junichiro Koizumi in 2001, however, Japanese industry began to modernize and streamline. Taking the helm of the BOJ in 2003 as Koizumi's handpicked favourite, Fukui led central-bank intervention into uncharted waters. His **predecessor** frequently claimed impotence, saying there was little a central bank could do to stoke an economy's fires once it had lowered rates to zero. But Fukui stepped up or initiated a series of unorthodox **"quantitative easing"** programs designed to flood the market with easy money. For example, he more than doubled the target for current-account deposits held by financial institutions and he ramped up the BOJ's purchases of corporate and government bonds. With increased deposits, banks had more money to put on the street; and the BOJ's shopping spree also put more money in circulation.

1. It appears that about one-and-a-half decades ago, Japan's economy was in a state of
 - 1) jeopardy 2) progress 3) hibernation
 - 4) severe decline 5) None of these

2. The change in lending rate by Bank of Japan (BOJ) would affect which of the following?
 - A. Give a perception to the world that it is on concrete footing.
 - B. Markets all over the world.
 - C. It will not have any impact on corporate and private borrowers.
 - 1) A and B only 2) B and C only 3) A and C only
 - 4) All the three 5) None of these
3. It can be inferred from the passage that
 - 1) the initial move by BOJ was unexpected
 - 2) the rate increase could have been avoided
 - 3) the current move by BOJ was not unpredictable
 - 4) the proposed increase in lending rate is of an insignificant impact
 - 5) None of these
4. Which of the following was a demonstrable result of the debacle of Japan's economy in the last decade of the last century?
 - A. Substantial education in spending and investments by consumers
 - B. Consumers and businesses refrained from investing in new ventures
 - C. Japan's global presence was negligible
 - 1) Only A 2) Only B 3) Only C
 - 4) All the three 5) None of these
5. BOJ's reduction of interest rate to zero in 1999 was intended to
 - 1) reduce the exorbitant salaries of employees
 - 2) salvage debt-ridden companies
 - 3) invigorate the dormant economy
 - 4) revitalize balance sheets of big companies
 - 5) None of these
6. Who among the following felt that central bank's intervention was going to be futile?
 - 1) Junichiro Koizumi 2) Toshihiko Fukui
 - 3) Yasunari Ueno 4) Bank of Japan's committee members
 - 5) None of these
7. Which of the strategies was adopted by Fukui to bring Japan's economy on the proper track?
 - A. Schemes to pump lots of easy money into the market
 - B. Increasing the target of current account deposits held by financial institutions by more than 100%
 - C. Drastically cutting the purchasing power of consumers

- 1) A and C only 2) A and B only 3) B and C only
4) All the three 5) None of these
8. Which of the following best describes the term "**quantitative easing**" as used in the passage?
- 1) series of unorthodox measures
2) initiating superficial remedies
3) resorting to strategies to gain cheap popularity
4) pumping more money for hassle-free excess
5) None of these
9. Which of the following statements is/are **TRUE** in the context of the passage?
- A. BOJ's reduction of interest rate to zero in the last century had a desirable effect.
B. Spending and investments by consumers and businesses do not have any significant impact on the economy.
C. A regulatory central bank cannot boost the economy if the interest rates are lowered to 0%.
- 1) A and B only 2) B and C only 3) C & A only
4) All the three 5) None of these

Directions (Q. 10 - 12): Choose the word which is most nearly the SAME in meaning as the word given in bold as used in the passage.

10. emerged
1) divided 2) reunited 3) born 4) surfaced 5) invented
11. surveyed
1) audited 2) measured 3) counted 4) apprised 5) interviewed
12. desperation
1) nervousness 2) anxiety 3) confusion 4) complexity 5) effect

Directions (Q. 13 - 15): Choose the word which is most nearly the OPPOSITE in meaning as the word given in bold as used in the passage.

13. sound
1) silence 2) calmness 3) loose 4) concrete 5) noisy
14. exacerbating
1) improving 2) aggravating 3) intensifying 4) redeeming 5) demonstrating
15. predecessor
1) ancestor 2) forerunner 3) precursor 4) successor 5) colleague

Answers

1. 1: Japan found itself in a disastrous deflationary spiral after this jeopardy.
 2. 1: Read the last sentence of the first para.
 3. 1: It was made in desperation.
 4. 2
 5. 3: The purpose of reduction was nothing specific but a general one.
 6. 5: Such a claim was made by Fukui's predecessor.
 7. 2: Read the last few sentences of the passage.
 8. 4
 9. 5: A does not follow because even this reduction had little impact for years. B is also not true because Fukui is making efforts with an assumption that is contrary to this.
- 10.4 11.5 12.3 13.3 14.4 15. 4