

Quiz Date: 19<sup>th</sup> July 2020

**Directions (1-8): Read the following passage and answer the given questions. Some words are highlighted to help you answer the questions.**

Stock markets across the world had very little reason to celebrate in 2018. They witnessed the return of extreme volatility after many years, and most of them recorded their worst performance in a decade. **Many of this gloom** has to do with the rise in fears that global economic growth could come to a grinding halt in the near future. The economic expansion in the United States, which began after the 2008 recession, is now the second-longest in history. Many believe that a recession is overdue now. China is another major concern as the People's Bank of China's earlier moves to rein in a massive credit-fuelled bubble have been dampening momentum with a lagged effect. The country's private manufacturing sector contracted in December for the first time in 19 months and the official manufacturing PMI (purchasing managers' index) number dropped below 50 for the first time since mid-2016. Other major economies such as Europe and Japan have also shown signs of a potential slowdown in growth. Global stocks have been pricing in these very real risks, particularly with major central banks such as the U.S. Federal Reserve and the European Central Bank remaining on the path to normalise interest rates from near-historic lows. The steep fall in the price of oil is another indicator of faltering demand for commodities as the global economy cools down. The tightening of monetary policy has often been followed by a slowdown in economic growth, and this time may be no different.

Going forward, a major worry for policymakers globally will be the lack of sufficient central bank firepower should the global economy move into a full-fledged recession in 2019. After years of adopting a monetary policy regime marked by near-zero interest rates, central banks like the Fed now have very little room to lower rates if they want to fight a recession. **This is despite the gradual** tightening of rates and unwinding of asset purchases in the last few years. The next recession may thus witness central banks adopting even more unconventional methods to stimulate their economies. Some hope that governments will increase spending to compensate for the lack of monetary policy leeway. **But it is unlikely that** any fiscal stimulus will fully compensate for the absence of an accommodative monetary policy, particularly when most governments are already deeply \_\_\_\_\_ (A) \_\_\_\_\_ in debt. Further, the overuse of monetary policy will eventually lead to diminishing returns. A further escalation in the trade war between the U.S. and China is another imminent risk to global growth as additional tariffs could increase the overall tax burden on the economy. In order to tackle the next recession, policymakers will have to come up with reforms to boost economic productivity, instead of just relying on an ultra-easy monetary policy to boost their economies.

Q1. Why is recession suggestive in the near future as per the given passage?

- (I) Breakthrough in the momentum of China's bank
  - (II) Floundering demand of commodities
  - (III) Economic embellishment in US
  - (IV) Dwindling private manufacturing sector
- (a) Both (I) and (III)  
(b) Both (II) and (IV)

- (c) Both (III) and (IV)
- (d) (I), (II) and (IV)
- (e) All (I), (II), (III) and (IV)

Q2. What has been the approach followed to subjugate the effects of economic slowdown?

- (a) Plummeting the prices of the commodities
- (b) Exacerbating the credit flow in the market
- (c) Tightening the monetary policy
- (d) Both (a) and (c)
- (e) None of these

Q3. From the phrases highlighted in the passage, which one is used grammatically and contextually correct?

- (I) Many of this gloom
- (II) This is despite the gradual
- (III) But it is unlikely that

- (a) Only (II)
- (b) Only (I)
- (c) Both (I) and (II)
- (d) Both (II) and (III)
- (e) All of these

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Q4 . What has been the result of the monetary policy followed by the Fed?

- (a) Creation of liquidity trap and lack of economic activity
- (b) Generation of multiple revenue lines
- (c) Further ebbing in the interest rates is out of question
- (d) Demotion in prices to keep spending at consistent level
- (e) None of these

Q5. How would the economies be instigated as per the given passage?

- (a) Restoring the domestic industry
- (b) Fixing trade balance
- (c) Ramping up spending
- (d) Stimulating the infrastructure
- (e) Deregulation of several industries

Q6. How has the author suggested combating the recession?

- (a) Quantitative easing
- (b) Loosening of monetary policy
- (c) Expansionary fiscal policy
- (d) Ensuring the financial stability
- (e) Invigorating the productivity

Q7. Which of the following word would fit in the blank (A) to form a grammatically and contextually correct sentence?

- (a) subsumed
- (b) enthralled
- (c) coerced
- (d) mired
- (e) inundated

Q8. What can be inferred from the given passage?

- (a) There is a new face in charge of Europe's central bank.
- (b) Negative interest rate grows conviction at the European Central bank
- (c) There's been little sign of developments in the 19-nation euro zone though.
- (d) Now sub-zero rates are in place though, more negative interest rates are what needed.
- (e) Policymakers will have to bust recessionary fears with more than just monetary policy



**Directions (9-12):** In each of the question given below a/an idiom/phrase is given in bold which is then followed by five options which then tries to decipher its meaning as used in the sentence. Choose the option which gives the meaning of the phrase most appropriately in the context of the given sentence.

Q9. The company is expected to **get around** this problem by borrowing from the banks.

- (a) lead
- (b) deceive
- (c) overcome
- (d) divert
- (e) detach

Q10. I think he's trying to **get back at** her for those remarks she made in the meeting.

- (a) pursue
- (b) disprove
- (c) acknowledge
- (d) retaliate
- (e) persuade

Q11. The city had to rebuild the bridge completely, because it was about to **give out** and fall down.

- (a) conform
- (b) reveal
- (c) relent
- (d) crash
- (e) transmit

Q12. The lorry drivers' strike has **put back** our deliveries by over a month.

- (a) deferred
- (b) dwindled
- (c) retarded
- (d) replaced
- (e) conveyed



**Directions (13-15):** Given below the sentences each of which has been divided into four parts. Each of the questions is then followed by the five options which give the sequence of the rearranged parts. You must choose the option which gives the correct sequence of the parts. If the sentence is already arranged in the correct sequence or the correct sequence doesn't match with any of the given sequence, mark option (e) .i.e. 'None of the above' as your answer.

Q13. Prime Minister Narendra Modi often (A)/does the unexpected, the surprise (B)/at other times the reverse (C) /sometimes being agreeable (D)

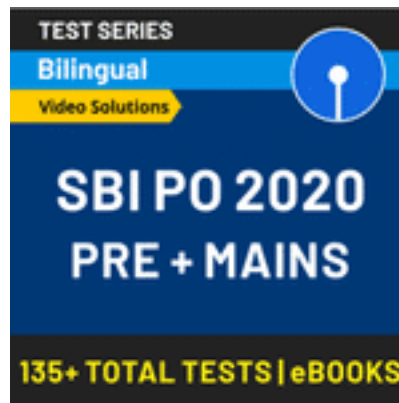
- (a) BADC
- (b) ADBC
- (c) ABDC
- (d) ACBD
- (e) None of the above

Q14. the Ministry of Home Affairs essentially (A)/ aimed at reducing the scope for death (B)/row convicts to adopt dilatory tactics (C)/ seeks the incorporation of measures (D)

- (a) BADC
- (b) ADBC
- (c) ABDC
- (d) ACBD
- (e) None of the above

Q15. the travel ban is a reflection of the (A)/the WHO Director-General said that (B)/China to minimise the spread of the virus (C) /significant measures taken by (D)

- (a) BADC
- (b) ADBC
- (c) ABDC
- (d) ACBD
- (e) None of the above



**BANKERS**  
Solutions

S1. Ans. (b)

Sol. As per the lines *“China is another major concern as the People’s Bank of China’s earlier moves to rein in a massive credit-fuelled bubble have been dampening momentum with a lagged effect. The country’s private manufacturing sector contracted in December for the first time in 19 months and the official manufacturing PMI (purchasing managers’ index) number dropped below 50 for the first time since mid-2016.....The steep fall in the price of oil is another indicator of faltering demand for commodities as the global economy cools down”* option (b) is correct answer choice. Statements (II) and (IV) are in the favour of the mentioned statements whereas (I) and (III) are contradicting them. Hence, correct answer choice is (b).

S2. Ans. (c)

Sol. As per the lines *“The tightening of monetary policy has often been followed by a slowdown in economic growth, and this time may be no different.”* Option (c) is correct answer choice. Other two are not mentioned in the passage. Hence, correct answer is option (c).

S3. Ans. (d)

Sol. From the given phrases, phrases (II) and (III) are correct. Phrase (I) is incorrect as 'gloom' is an uncountable noun and we use 'many' with 'countable nouns'. Instead of 'many', 'much' should be used. Hence, correct answer is option (d).

S4. Ans. (c)

Sol. From the lines "After years of adopting a monetary policy regime marked by near-zero interest rates, central banks like the Fed now have very little room to lower rates if they want to fight a recession" option (c) is correct answer choice. All other options are not mentioned in the passage. So, correct answer choice is option (c).

S5. Ans. (c)

Sol. As per the lines "The next recession may thus witness central banks adopting even more unconventional methods to stimulate their economies. Some hope that governments will increase spending to compensate for the lack of monetary policy leeway." option (c) is correct answer choice.

S6. Ans. (e)

Sol. As per the lines "In order to tackle the next recession, policymakers will have to come up with reforms to boost economic productivity, instead of just relying on an ultra-easy monetary policy to boost their economies." the correct answer choice is option (e).

S7. Ans. (d)

Sol.

Subsumed: include or absorb (something) in something else.

Enthralled: capture the fascinated attention of.

Coerced: persuade (an unwilling person) to do something by using force or threats.

Mired: cause to become stuck in mud.

Inundated: overwhelm (someone) with things or people to be dealt with.

S8. Ans. (e)

Sol. Option (a) is discussing about a new in charge of European Central Bank which is not as per the given passage. Option (b) and (d) are not true as they are in favour of zero or negative interest rates. Option (c) is talking about the development in 19 European nations which is not mentioned in the given passage. As for option (e), it is correct as it talks about the need to make more revolutionary reforms in the monetary policy. Hence, option (e) is correct answer choice.

S9. Ans. (c)

Sol. 'get around' means to release or to avoid something unpleasant or laborious.

S10. Ans. (d)

Sol. 'get back at' means take revenge on.

S11. Ans. (d)

Sol. 'give out' means to stop working.

S12. Ans. (a)

Sol. 'put back' means to delay it or arrange for it to happen later than you previously planned.

S13. Ans. (c)

Sol. The correct sequence is **ABDC**. The correct sentence after rearrangement is, '*Prime Minister Narendra Modi often does the unexpected, the surprise sometimes being agreeable, at other times the reverse.*'

Hence, **option (c)** is the right answer choice.

S14. Ans. (b)

Sol. The correct sequence is **ADBC**. The correct sentence after rearrangement is, '*The Ministry of Home Affairs essentially seeks the incorporation of measures aimed at reducing the scope for death row convicts to adopt dilatory tactics.*'

Hence, **option (b)** is the right answer choice.

S15. Ans. (a)

Sol. The correct sequence is **BADC**. The correct sentence after rearrangement is, '*The WHO Director-General said that the travel ban is a reflection of the significant measures taken by China to minimise the spread of the virus.*'

Hence, **option (a)** is the right answer choice.

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