

Quiz Date: 7<sup>th</sup> July 2020

Directions (1-10): **In the following paragraph, there is a set of four highlighted words against each number indicated in bold in the beginning of the sentences. One of the given set of words may or may not fit into the statement. Choose the word which is not suitable in the context of the paragraph. If all the four words are correct and feasible, choose (e) i.e. "No error" as your answer.**

(1) To **prevent** the round-tripping of funds arising from the India Mauritius Tax Treaty, to **mitigate** the discriminatory tax **hindrance** towards Indian investors, and to **promote** investment in stock markets, India abolished the LTCG tax on equities in 2004-05. (2) This, however, did not **forecast** the round-tripping problem. Therefore, the Indian government **amended** the India Mauritius Tax Treaty in May 2016, **reserving** the right to tax capital gains on **transfer** of shares acquired on or after April 2017. (3) **With** this **iniquity** in place, there is now no **need** to exempt Indian investors **from** the Long-term capital gain (LTCG) tax. (4) **Since** the years, the Indian **share** market has gained **width** and depth. In 2017, it emerged as the eighth **largest** market in the world. (5) Ideally, a part of this **prosperity** should go to the Indian government in the **form** of tax revenue. According to "The Global Competitiveness Report, 2017-2018", the **total** tax rate as a percentage of profit **were** around 60% in India. (6) **Despite** the heavy tax rates, India's budget **balance** as a percentage of GDP is much higher **then** that of the most **competitive** countries in the world. This is not surprising if we look at the tax-to-GDP ratio. (7) World development indicators **published** by the World Bank **indicate** that India's tax revenue as a percentage of GDP has been around 10.5% during the last 10 years, which is just **marginally** higher than that of the US' around 10%. Of the total revenue that India **generates**, around 55% comes from direct taxes, compared to 92% in the US. (8) High tax-to-profit ratio, low tax revenue-to-GDP ratio, and the **comparing low** share of direct taxes in total tax revenue **hint** at **inefficiencies** and **anomalies** in the Indian tax structure. (9) **Community** of various direct tax rates is **needed** to reduce the tax-to-profit ratio, but at the same time it is **required** to moderate the fiscal **imbalances** and to improve the share of direct taxes in total tax revenue. (10) High tax rates **discourage** economic activity, **but** zero tax **rates** result in zero revenue **for** the government. Mild (optimum) tax rates are needed to improve government revenue without dampening the impact on economic activity.

Q1.

- (a) prevent
- (b) mitigate
- (c) hindrance
- (d) promote
- (e) no error

Q2.

- (a) forecast
- (b) amended
- (c) reserving
- (d) transfer
- (e) no error

Q3.

- (a) with
- (b) iniquity
- (c) need
- (d) from
- (e) no error

Q4.

- (a) since
- (b) share
- (c) width
- (d) largest
- (e) no error

Q5.

- (a) prosperity
- (b) form
- (c) total
- (d) were
- (e) no error

Q6.

- (a) despite
- (b) balance
- (c) then
- (d) competitive
- (e) no error

Q7.

- (a) published
- (b) indicate
- (c) marginally
- (d) generates
- (e) no error

Q8.

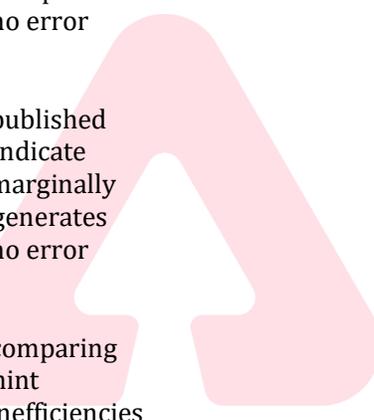
- (a) comparing
- (b) hint
- (c) inefficiencies
- (d) anomalies
- (e) no error

Q9.

- (a) community
- (b) needed
- (c) required
- (d) imbalances
- (e) no error

Q10.

- (a) discourage
- (b) but
- (c) rates
- (d) for
- (e) no error



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**Directions (11-15):** 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 context of the given sentence.

Q11. When you have finished your work sheets, clip them together and **hand them in** to me.

- (a) arrange
- (b) accommodate
- (c) submit
- (d) address
- (e) adduce

Q12. But the minister was sufficiently in love to **look down on** the unexpected indication.

- (a) disregard
- (b) sympathize
- (c) observe
- (d) reconsider
- (e) search

Q13. We might as well plan to **put together** our globe by redistributing the elements in it.

- (a) align
- (b) reorganize
- (c) develop
- (d) draft
- (e) compare

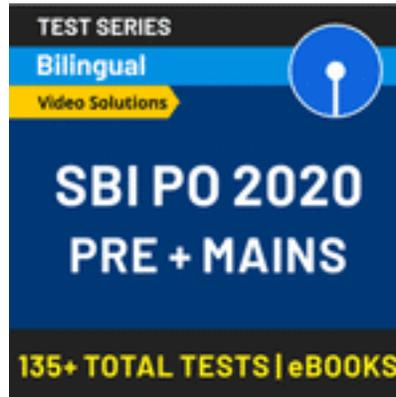
Q14. He was afraid that he had **brought me up short**, when he said you were to win races for your father's good.

- (a) distressed
- (b) misled
- (c) affiliated
- (d) startled
- (e) amused

Q15. I may need to **call on** the university's excellent professors in order to answer your question.

- (a) access
- (b) converse

- (c)connect
- (d)insist
- (e)interface



### Solutions

S1. Ans. (c)

Sol. **Option (c)** is the correct choice. The theme of the paragraph is about *the LTCG tax on stock market in India*. Here, the paragraph is mentioning about discrimination faced by Indian investors regarding taxation policies. "**Hindrance**" is a **noun** which means a thing that provides resistance, delay, or obstruction to something or someone therefore, it doesn't provide the sense to the paragraph. Hence, the correct word required here is "**treatment**" as the sentence is mentioning about the discriminatory tax treatment towards Indian investors. Thus, eliminating the contextual error and making the paragraph coherent.

S2. Ans. (a)

Sol. **Option (a)** is the correct choice. Here, the word "**forecast**" is incorrectly used as in the paragraph, it has been previously mentioned *about the problematic issue of the round-tripping funds*. Therefore, the correct word required here is "**resolve**" or a word similar in meaning. Hence, it makes the paragraph logical and meaningful.

S3. Ans. (b)

Sol. **Option (b)** is the correct choice. "**iniquity**" means *immoral or grossly unfair behaviour*. Therefore, it doesn't satisfy the theme of the paragraph which is *about the LTCG tax on stock market in India*. However, in the earlier part of the paragraph it is mentioned *about the amendment on the India Mauritius Tax Treaty in May 2016*. Thus, in relation to the previous statement the correct word required here is "**amendment**" which means a minor change or addition designed to improve a text, piece of legislation, etc. to make the paragraph comprehensible.

S4. Ans. (a)

Sol. **Option (a)** is the correct choice. "**Since**" can be used as *preposition, adverb or a conjunction*. Here, *since* is used as a preposition which means *in the intervening period between (the time mentioned) and the time under consideration, typically the present*. Thus, it is incorrectly used. However, the correct preposition required here is "over". "**over**" is used to *express duration*. Also, "**over the years**" is a phrase which is used to *imply a slow change*. Therefore, the correct word required to make the paragraph feasible is "over".

S5. Ans. (d)

Sol. **Option (d)** is the correct choice. Here, the subject "**percentage of profit**" is singular, therefore, to comply with the rule **of subject-verb agreement**, the appropriate verb should be single as well i.e.,

singular of **“were”** is **“was”**. Thus, to make the sentence grammatically viable replace the verb **“were”** with **“was”**.

S6. Ans. (c)

Sol. **Option (c)** is the correct choice. Replace **“then”** with **“than”** to make the sentence grammatically and contextually correct. **“then”** is an **adverb** which is used to refer after that; next; afterwards. However, **“than”** is a **conjunction** as well as a **preposition** which is used to introduce the second element in a comparison. So, to eliminate the error, option (c) is the correct choice.

S7. Ans. (e)

Sol. **Option (e)** is the correct choice. All the given words in the sentence are grammatically and contextually correct and provide a coherent meaning to the paragraph.

S8. Ans. (a)

Sol. **Option (a)** is the correct choice. The usage of the word **“comparing”** is incorrect as **“comparing”** is a **verb** which means to estimate, measure, or note the similarity or dissimilarity between. However, to make the sentence grammatically and contextually correct, the **adverb** form of the word **“compare”** is required i.e., **“comparatively”** which means to a moderate degree as compared to something else; relatively. As the error is in option (a) it becomes the correct choice.

S9. Ans. (a)

Sol. **Option (a)** is the correct choice. The word **“community”** is incorrectly used in reference to the theme of the passage. Therefore, to comprehend the paragraph, the correct word required here is **“calibration”** which is a **noun**, meaning the action to adjust (experimental results) to take external factors into account or to allow comparison with other data. Hence, option (a) becomes a viable answer choice.

S10. Ans. (e)

Sol. All the given words in the sentence are grammatically and contextually correct making the paragraph coherent. Thus, **option (e)** is the correct choice.

S11. Ans. (c)

Sol. The phrasal verb **“hand in”** means to give something to someone in a position of authority. Thus, the most appropriate meaning of the phrase among the given options is **“submit”**. Hence option (c) is the correct choice.

**Accommodate** means fit in with the wishes or needs of.

**Adduce** means cite as evidence.

S12. Ans. (a)

Sol. The phrasal verb **“look down on”** means to think that you are better or more important than someone else, or to think that something is not good enough for you. Thus, the most appropriate meaning of the phrase among the given options is **“disregard”** which means pay no attention to; ignore. Hence option (a) is the correct choice.

**Sympathize** means agree with a sentiment, opinion, or ideology.

S13. Ans. (b)

Sol. The phrasal verb **“put together”** means to produce or organize something using many different things. Thus, the most appropriate meaning of the phrase among the given options is **“reorganize”**. Hence option (b) is the correct choice.

**Draft** means prepare a preliminary version of (a document).

**Align** means place or arrange (things) in a straight line.

S14. Ans. (d)

Sol. The phrasal verb "**bring someone up short**" means **to make someone feel shocked or surprised**. Thus, the most appropriate meaning of the phrase among the given options is "**startled**". Hence option (d) is the correct choice.

**Distress** means cause (someone) anxiety, sorrow, or pain.

**Affiliate** means officially attach or connect (a subsidiary group or a person) to an organization.

**Amuse** means cause (someone) to find something funny.

S15. Ans. (d)

Sol. The phrasal verb "**call on**" means **to officially ask a person or organization to do something**. Thus, the most appropriate meaning of the phrase among the given options is "**insist**" which means **to say very firmly that something must happen or must be done**. Hence option (d) is the correct choice.

**Access** means approach or enter (a place).

**Converse** means engage in conversation.

**Interface** means interact with (another system, person, etc.).

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