

ENGLISH – LANGUAGE

Qs. 1 – 15. Read the following passage carefully and answer the questions given below it. Certain words/ Phrases have been printed in bold to help you to locate them while answering some of the questions.

The structure and operations of banks have undergone a rapid transformation in recent years. Consequent upon the revolution in information technology and the associated increase in competition financial intermediaries have become increasingly global in geographical coverage and universal in the financial operations, encompassing a wide range of activities including banking, securities markets activities and insurance. In the face of widespread concerns about declining profitability of banks, the Basel capital adequacy norms were enacted.

Although the Basel norms helped to arrest the **erosion** of banks' capital ratios, concerns were raised regarding the mere applicability of baseline capital ratios in the changed environment of operation. The blurring of both functional environment of operation. The blurring of both functional as well as national divisions among the financial intermediaries, and the speed and complexity of adjustment, made it difficult for regulators to keep up with the growing pace change. In particular the rule of 'one-size-fits-all' aspect of the capital adequacy ratio was the subject of intense debate. Recent banking crisis only emphasized the point that baseline capital adequacy norms were not adequate to hedge against failures. In response to the same, the Basel Committee on Banks' Supervision came out with the new Consultative Paper on Capital Adequacy. It invited suggestions from the policymakers, academia and other institutes all over the world. After taking into consideration **manifold** suggestions of the various organizations, the second Consultative paper on Capital Adequacy was released.

The **Accord** rests on three pillars; the first pillar of minimum capital requirement, the second pillar of supervisory review process and the third pillar of market discipline. The first pillar sets out the minimum capital requirements. The new framework maintains both the current definition of capital and the minimum requirement of 8% of capital to risk-weighted assets. The revised Accord will be extended on a consolidational basis to holding companies of banking groups. The accord stresses upon the improvement in measurement of risks. The credit risk measurement methods have been made more **elaborate** than those in the existing Accord. The new framework also emphasizes the measurement of operational risk. For measuring credit risk, two **options** have been proposed. The first is the standardized approach and the second is the internal rating based approach. Under the standardized approach, the existing approach for credit risk remains conceptually the same, but the risk-weights have been enlarged to encompass exposures to a broad category of borrowers with reference to the rating provided by rating agencies.

1. What necessitated the creation of Basel capital adequacy norms ?
 - (a) To study the profitability pattern in the banks.
 - (b) The banks wanted its capital reserve ratios to be kept above 8%.
 - (c) Regulatory body of the banks wanted to have uniform policy.
 - (d) Corporate buyers compelled the lending institutions to do so.
 - (e) None of these.
2. Which of the following factors are responsible for rapid transformation in banks in recent years?
 - (a) The forces of privatization and international players have compelled the banks to do so.
 - (b) Control from regulators has become meaningless for the banks to survive.
 - (c) Sudden upsurge in economy.
 - (d) The competition has increased and information technology has undergone a sea change.
 - (e) None of these.
3. According to the passage activities encompassed by banks are:
 - (a) insurance, housing finance and low cost funds.
 - (b) market discipline, profit maximization and priority sector banking.
 - (c) securities markets, insurance and banking.
 - (d) geographical coverage, universalization and transformation.
 - (e) None of these.
4. The main features of the standardized approach are:
 - (a) the credit risk management should encompass large corporate borrowers.

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- (b) the borrowers should not have more than 8% risk weighted assets.
 - (c) banks capital reserve ratios should be strictly maintained.
 - (d) the risk weights should take into consideration the ratings of rating agencies.
 - (e) None of these.
5. The consultative paper of Basel Committee was a result of:
- (a) three pillar accord of academic institutes.
 - (b) contribution from international policy makers, academicians and institutions.
 - (c) failure of structures and operations of banks in the world.
 - (d) erosion of banks' fixed assets owing to global competition.
 - (e) None of these.
6. How did Basel norms helped the Bank?
- (a) It changed the environment of operations.
 - (b) The decline in capital ratios was arrested.
 - (c) The banks could successfully keep market discipline.
 - (d) It did not erode the quality of risk measurement.
 - (e) None of these.
7. Emphasis on operational risk measurement was the main feature of:
- (a) theory of three pillars risk management.
 - (b) first consultative paper on capital adequacy.
 - (c) second consultative paper on capital adequacy.
 - (d) Basel capital adequacy norms.
 - (e) None of these.
8. Which of the following difficulties was faced by regulators on prescription of Basel norms?
- (a) The regulators could not keep up with growing pace of change.
 - (b) There was no provision for risk measurement.
 - (c) The minimum requirement of 8% of capital could not be met.
 - (d) The supervisory review process could not be carried out.
 - (e) None of these.
9. Which of the following is NOT a recommendation of second consultative paper on capital adequacy?
- (a) The minimum capital requirement for a bank has been prescribed.
 - (b) Universal financial operations are permitted within limited geographical coverage.
 - (c) The supervisory review should be more comprehensive.
 - (d) The market discipline has to be observed by each bank.
 - (e) None of these.
10. According to passage factor(s) responsible for declining profitability in banks was / were.
- (i) cut-throat competition and technology revolution.
 - (ii) globalization of financial intermediaries.
 - (iii) privatization of insurance.
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|----------------------|---------------------|
| (a) Only I | (b) Only II |
| (c) Both I and II | (d) Both II and III |
| (e) Neither I nor II | |

Q. 11-13 Choose the word which is **most similar** in meaning of the word printed in **bold** as used in the passage.

11. Elaborate
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| (a) precise | (b) discernible |
| (c) explanatory | (d) enumerate |
| (e) implicit | |

12. **Options**

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| (a) alternatives | (b) distracters |
| (c) answers | (d) paths |
| (e) directions. | |

13. **Erosion**

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| (a) loss | (b) depletion |
| (c) assets | (d) replenishment |
| (e) reclamation | |

Qs. 14 –15. Choose the word which is **most opposite** in meaning to the word printed in bold as used in the passage.

14. **Accord**

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| (a) summit | (b) record |
| (c) disagreement | (d) difference |
| (e) reclamation | |

15. **Mainfold**

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|--------------|--------------|
| (a) single | (b) alone |
| (c) lonely | (d) isolated |
| (e) multiple | |

Qs. 16 – 25. Which of the phrases (1), (2), (3) and (4) given below each sentence should replace the phrase printed in **bold** in the sentence to make it grammatically correct? If the sentence is correct as it is given and No correction required, mark (5) as the answer.

16. The Governor has a good collection of **paintings adorning the walls** of the Raj Bhavan.

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| (a) painting adorning the walls | (b) painting adorning a walls |
| (c) paintings sticking the walls | (d) paintings adorn the walls |
| (e) No correction required | |

17. The argument against privatization stems from a fear that the national **assets were being handed to** private sector.

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| (a) assets are being handed over to | (b) assets is being handled by |
| (c) asset have been handed over to | (d) assets are being handled into |
| (e) No correction required | |

18. The principals and teachers **at the selected English medium** schools were contacted.

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| (a) of the selected English medium | (b) at the select English medium |
| (c) upon the selected English medium | (d) of the selection English medium |
| (e) No correction required | |

19. Fast foods can be dangerous as they deprive **the body of essential** nutrients.

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| (a) the body at essential | (b) the body of essentially |
| (c) the body from essential | (d) the bodies onto essential |
| (e) No correction required | |

20. Some people feel that the medium of instruction in all colleges in India **would be only English.**

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| (a) should has been only English | (b) will have be only English |
| (c) should be only English | (d) would be English only |
| (e) No correction required | |

21. Besides these norms, **the data was also analysed** to form the sub groups.

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| (a) the data had analysed also | (b) the data were also concluded |
| (c) the data were also analysed | (d) an data were analysed also |
| (e) No correction required. | |

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22. The children and their specific **problems needs to be** identified.
(a) problem need to be (b) problems needed to be
(c) problems has been (d) problems need to be
(e) No correction required.
23. He does not know the Mount Everest **in the most highest mountain** peak.
(a) is more highest mountain (b) is the most high mountain
(c) is the higher mountain (d) is the highest mountain
(e) No correction required
24. The complex nature of the modern industrial civilization and explosion of knowledge **have made the education process** very complicated.
(a) has made the education process (b) have made the educational process
(c) have made the educational process (d) have been made educational process
(e) No correction required
25. Learning is defined as a **relatively permanently change** in our potential for performance.
(a) relatively permanent change (b) relative permanently change
(c) relatively permanent changed (d) permanently relatively change
(e) No correction required

Qs. 26 –35. In the following passage there are blanks, each of which has been numbered. These numbers are printed below the passage and against each, five words are suggested, one of which fits the blank appropriately. Find out the appropriate word in each case.

It is a pity that we do not have good books on banking written by Indian authors (26) to the steady growth of literature on the subject in other countries especially, the U.K. whose banking laws and (27) are very much akin to those of our country. And students studying in our universities and the millions of bank employees appearing for various banking examinations have to depend (28) on books written by foreign authors. As these books mainly deal with the problems on banking industry of foreign countries the (29) of the banking scene in India and the various legal (30) and banking procedures remains very weak. To (31) the bank employees and the university students who have opted for (32) courses in banking with different aspects of theory and practice banking we should have good and (33) textbooks. The book under review, written by an experienced and (34) banker, on banking law based on leading Indian cases, will be found very useful by students of banking as a (35) guide to principles of banking law.

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| 26. | (a) corresponding | (b) following |
| | (c) emphasize | (d) correcting |
| | (e) paving | |
| 27. | (a) products | (b) notes |
| | (c) initiatives | (d) procedures |
| | (e) processes | |
| 28. | (a) upon | (b) still |
| | (c) rarely | (d) until |
| | (e) slightly | |
| 29. | (a) core | (b) application |
| | (c) understanding | (d) knowledge |
| | (e) purpose | |
| 30. | (a) aspects | (b) experts |
| | (c) books | (d) loops |
| | (e) lapses | |
| 31. | (a) saddle | (b) decorate |
| | (c) promote | (d) load |
| | (e) equip | |
| 32. | (a) expensive | (b) tough |
| | (c) detailed | (d) specialized |
| | (e) optional | |

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33. (a) voluminous (b) many
(c) seasoned (d) shining
(e) authentic
34. (a) qualified (b) rich
(c) merchant (d) desired
(e) consulting
35. (a) powerful (b) ready
(c) comprehensive (d) prescribed
(e) learned

Qs. 36 –40. Each question below has two banks, each bank indicating that something has been omitted. Choose the set of words for each blank that best fits the meaning of the sentence as a whole.

36. He knew that a war of liberation ____ great spirit, great sacrifice, ____ and patience.
(a) forced.....peace (b) encouraged.....demand
(c) compelled.....money (d) boost.....fear
(e) demanded.....courage
37. Management has ____ a half forgotten idea; the individual is ____ in directing decisions, skill and services.
(a) constituted.....purposive (b) invented....vulnerable
(c) rediscovered...crucial (d) developed.....objective
(e) devised.....subjective
38. You can do franchising if you are ____ to shut your ____ to many things.
(a) willingeyes (b) opt....ears
(c) skilled....window (d) blind....vision
(e) helpless.....thoughts
39. The ____ of an organization depends on several factors, the ____ of leadership is the most important.
(a) effectiveness....quality (b) delivery....amount
(c) power.....paucity (d) ambience....judgement
(e) strength....gender
40. History is ____ with examples of strong nations ____ the weak ones.
(a) complete.....require (b) organized.....advocating
(c) written.....asserting (d) replete....dominating
(e) taught....propagating

ANSWER KEY

1. (e)	8. (a)	15. (a)	22. (d)	29. (c)	36. (e)
2. (d)	9. (b)	16. (e)	23. (d)	30. (a)	37. (c)
3. (c)	10. (c)	17. (a)	24. (b)	31. (e)	38. (a)
4. (a)	11. (a)	18. (a)	25. (a)	32. (d)	39. (a)
5. (c)	12. (a)	19. (e)	26. (a)	33. (e)	40. (d)
6. (c)	13. (b)	20. (c)	27. (d)	34. (a)	
7. (a)	14. (c)	21. (c)	28. (b)	35. (c)	