

Quiz Date: 21st February 2020

Direction (1-7): Select the phrase/connector (STARTERS) from the given three options which can be used to form a single sentence from the two sentences given below, implying the same meaning as expressed in the statement sentences.

Q1.

(I) Mahatma Gandhi secured the participation of thousands of households in the freedom struggle.

(II) Mahatma Gandhi launched the civil disobedience movement.

(i) Launching the civil.....

(ii) When Mahatma Gandhi launched.....

(iii) Once Mahatma Gandhi.....

(a) Only (i)

(b) Only (ii)

(c) Only (iii)

(d) Both (i) and (ii)

(e) Both (ii) and (iii)

Q2.

(I) The education board has built "the foundation of education".

(II) Its focus now will shift to "education as foundation".

(i) Having built the.....

(ii) Now that the education.....

(iii) After building the.....

(a) Only (i)

(b) Only (ii)

(c) Only (iii)

(d) Both (i) and (iii)

(e) All (i), (ii), and (iii)

Q3.

(I) The Lokpal institution received the President's assent.

(II) The Lokpal institution is yet to play any significant role in tackling corruption in the country.

(i) Even after receiving.....

(ii) Though the Lokpal institution.....

(iii) As long as the President.....

(a) Only (i)

(b) Only (ii)

(c) Only (iii)

(d) Both (i) and (ii)

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(e) Both (ii) and (iii)

Q4.

(I) The subsidy on cooking gas has been raised to maintain the effective price of LPG cylinders for recipients.

(II) The subsidy has been doubled from around ₹150 a cylinder to almost ₹300.

(i) Doubling the subsidy.....

(ii) In order to maintain.....

(iii) Because the subsidy on.....

(a) Only (i)

(b) Only (ii)

(c) Only (iii)

(d) Both (i) and (ii)

(e) Both (ii) and (iii)

Q5.

(I) Narasimhan joined the Tata Administrative Services in 1986.

(II) Narasimhan has held various assignments in the Tata group.

(i) With an effect from joining.....

(ii) While Narasimhan joined.....

(iii) Having joined the.....

(a) Only (i)

(b) Only (ii)

(c) Only (iii)

(d) Both (i) and (ii)

(e) Both (ii) and (iii)

Q6.

(I) The court found that System Risk Indication impinges on the principles of transparency.

(II) The court held that technology should respect privacy.

(i) By the time the court found.....

(ii) Now that the court found.....

(iii) While the court found.....

(a) Only (i)

(b) Only (ii)

(c) Only (iii)

(d) Both (i) and (ii)

(e) All of the above

Q7.



(I) The new scheme proposed by the Centre should incentivise creation of a local components ecosystem.

(II) The scheme should create sops for companies to offer high skilled jobs in manufacturing.

(i) Once the new scheme.....

(ii) Not only the new.....

(iii) Besides high skilled jobs.....

(a) Only (i)

(b) Only (ii)

(c) Only (iii)

(d) Both (i) and (ii)

(e) Both (ii) and (iii)



Directions (8- 12): Read the following passage carefully and answer the questions given below it. Certain words are given in bold to help you locate them while answering some of the questions.

India Inc registered strong gains in profit in the third quarter of 2019- 20. While the conventional wisdom would point to the cut in corporate tax rates and low crude oil prices, a closer look at the data indicates that a lower base in the year-ago quarter had a more important role to play. An analysis of the results of 1,139 listed companies reveals a **lopsided pattern**. Overall, this sample registered a massive 43.9 per cent growth rate in pre-tax profit and 63.6 per cent year-on-year rise in profit after tax despite registering a mere 2.2 per cent rise in net sales. The difference between pre-tax profit and net profit is largely due to the tax cuts, which became effective in the September 2019 quarter, and that is visible in the aggregate tax payout, which remained at the same level despite the significant jump in profit. Almost all the profitability gains were contributed by Tata Motors, banks, and refineries.

Banks, especially the corporate lenders, had a subdued December 2018 quarter, which had resulted in losses or a drop in profit. In the December 2019 quarter, the situation improved as losses reduced and banks got the benefit of lower tax rates. Tata Motors was a big outlier. The company had reported a pre-tax loss of over ~29,000 crore, and turned around with a profit before tax of ~1,350 crore in the December 2019 quarter. If Tata Motors is removed from the sample, the rise in pretax profit and net profit is 16.2 per cent and 20.9 per cent, respectively. If

banks are also excluded, pre-tax profit would decline by 0.6 per cent and net profit growth would be 5.6 per cent. Removing refineries from the sample leads to a pre-tax profit decline of 4.3 per cent and net profit growth of just 1.25 per cent. The operating margin for the sample excluding finance, refineries, and Tata Motors was flat at 20.8 per cent in the December 2019 quarter, compared to the year-ago period. The higher profitability of refineries is no surprise, given lower crude oil and natural gas prices. Lower fuel prices also helped InterGlobe Aviation (IndiGo) boost its pre-tax profit 2.9 times and those of fertiliser companies by 2.4 times. The improved performance of the banking sector is heartening, but concerns remain.

The takeover of Essar Steel removed an overhang of ~42,000 crore in non-performing assets from the debtors' balance sheets but this is a one-off. If more resolutions are completed in bankruptcy courts, banks would benefit. What was worrying is that consumption demand remained sluggish and companies didn't seem to have adequate pricing power — the top line of FMCG (fast-moving consumer goods) companies grew 5.5 per cent while pre-tax profit was up 6.5 per cent, which was mainly due to lower expenditure. The story in automobiles and consumer durables was worse. The lack of a rebound in construction, cement, and steel indicates investment, including infrastructure investment, is also a dampener. The economy continues to remain stuck in second gear.

Q8. Which factor/s played a crucial role in gaining huge profits?

- (a) Deductions in corporate taxes in the upcoming quarters
- (b) Recent reduction of prices of crude oil
- (c) Lower level of corporate tax rates and crude oil pricing in the year ago quarter
- (d) None of these
- (e) All of the above

Q9. What does the highlighted phrase *lopsided pattern* refers to?

- (a) Lack of balance between the pre-tax and over-all profit
- (b) Symmetry between the net sales and over all gained profits
- (c) Leaning towards both sides of tax cuts
- (d) Leaning on getting profit from crude oil pricing
- (e) All of the above

Q10. Which of the following statements indicate the difference between pretax as well as net profit?

- (a) Aggregate tax payout showcased the difference
- (b) The aggregate tax payout remained unaltered even after the rise in profit
- (c) Both (a) and (b)
- (d) The profitability difference affected the gains of prominent companies
- (e) All of the above

Q11. How did the banks manage to cope with the profit declination?

- (a) Reduction in the losses
- (b) Advantage of decreased tax rates
- (c) Subdues net sales

- (d) Both (a) and (b)  
 (e) All are correct

Q12. How removal of refineries affected the pre-tax profit and net profit growth?

- (a) 1.25 % growth in net profit  
 (b) 4.3% declination in pre-tax profit  
 (c) A considerable increase in both pretax and net profit  
 (d) Both (a) and (b)  
 (e) All of the above



### Solutions

S1. Ans. (d)

Sol. Both (i) and (ii) starters can be used to form a single sentence from the two sentences, implying the same meaning as expressed in the statement sentences. The sentences thus formed are:

*(i) Launching the civil disobedience movement Mahatma Gandhi secured the participation of thousands of households in the freedom movement.*

*(ii) When Mahatma Gandhi launched the civil disobedience movement, he secured the participation of thousands of households in the freedom movement.*

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

S2. Ans. (d)

Sol. Both (i) and (iii) starters can be used to form a single sentence from the two sentences, implying the same meaning as expressed in the statement sentences. The sentences thus formed are:

*(i) Having built the "foundation of education", the focus of education board now will shift to "education as foundation".*

*(iii) After building the "foundation of education", the focus of education board now will shift to "education as foundation".*

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

S3. Ans. (d)

Sol. Both (i) and (ii) starters can be used to form a single sentence from the two sentences, implying the same meaning as expressed in the statement sentences. The sentences thus formed are:

*(i) Even after receiving the President's asset, the Lokpal institution is yet to play any significant role in tackling corruption in the country.*

*(ii) Though the Lokpal institution received the President's assent, it is yet to play any significant role in tackling corruption in the country.*

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

S4. Ans. (a)

Sol. Only starter (i) can be used to form a single sentence from the two sentences, implying the same meaning as expressed in the statement sentences. The sentence thus formed is:

*(i) Doubling the subsidy from around ₹150 a cylinder to almost ₹300, the subsidy on cooking gas has been raised to maintain the effective price of LPG cylinders for recipients.*

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

S5. Ans. (c)

Sol. Only starter (iii) can be used to form a single sentence from the two sentences, implying the same meaning as expressed in the statement sentences. The sentence thus formed is:

*(iii) Having joined the Tata Administrative Services in 1986, Narasimhan has held various assignments in the Tata group.*

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

S6. Ans. (d)

Sol. Both (i) and (ii) starters can be used to form a single sentence from the two sentences, implying the same meaning as expressed in the statement sentences. The sentences thus formed are:

*(i) By the time the court found that System Risk Indication impinges on the principles of transparency, it held that technology should respect privacy.*

*(ii) Now that the court found that System Risk Indication impinges on the principles of transparency, it held that technology should respect privacy.*

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

S7. Ans. (b)

Sol. Only (ii) starter can be used to form a single sentence from the two sentences, implying the same meaning as expressed in the statement sentences. The sentence thus formed is:

*(ii) Not only the new scheme proposed by the Centre should incentivise creation of a local components ecosystem, but it should also create sops for companies to offer high skilled jobs in manufacturing.*

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

S8. Ans. (c)

Sol. Refer to the first paragraph, the hint can be drawn from the lines, *India Inc registered strong gains in profit in the third quarter of 2019- 20. While the conventional wisdom would point to the cut in corporate tax rates and low crude oil prices, a closer look at the data indicates that a lower base in the year-ago quarter had a more important role to play.*

Here, it is said that while traditional analysis will point towards the corporate tax rate cut and lower pricing of crude oil. However, a deep analysis showcases that the lower level of both corporate tax and crude oil in the quarter of year-ago played a vital role in the gained profit. Hence, **option (c)** is the right answer choice as it properly explains the reason as asked.

S9. Ans. (a)

Sol. **Lopsided pattern** means *lacking in balance, symmetry, or proportion: disproportionately heavy on one side.* To understand this better, read the lines of second paragraph, *An analysis of the results of 1,139 listed companies reveals a lopsided pattern. Overall, this sample registered a massive 43.9 per cent growth rate in pre-tax profit and 63.6 per cent year-on-year rise in profit after tax despite registering a mere 2.2 per cent rise in net sales.*

Here, the lines refer that there was a growth of 43.9% in pre-tax profit and the overall profit was 63.6% after tax even when there was only a rise of 2.2% in the net sales. All this indicates asymmetry between the gained profit and net sales. Hence, **option (a)** is the right answer choice as it explains better the meaning of the highlighted phrase.

S10. Ans. (c)

Sol. Refer to the second paragraph of the given passage, the hint can be drawn from the lines, *The difference between pre-tax profit and net profit is largely due to the tax cuts, which became effective in the September 2019 quarter, and that is visible in the aggregate tax payout, which remained at the same level despite the significant jump in profit.*

Here, the lines refer that the said difference was noticeable in the total tax payout and which also remained unchanged even after the profit numbers jumped significantly. Both **option (a) and (b)** describe the lines best. Hence, **option (c)[Both (a) and (b)]** is the right answer choice.

S11. Ans. (d)

Sol. Refer to the third paragraph of the given passage, the hint can be drawn from the lines, *Banks, especially the corporate lenders, had a subdued December 2018 quarter, which had resulted in losses or a drop in profit. In the December 2019 quarter, the situation improved as losses reduced and banks got the benefit of lower tax rates.*

Here, the above lines state that though banks were facing a restrained time period during December 2018 quarter yet there was some improvement in their challenges when the losses were reduced and banks received the advantages of lowered tax rates.

**Both (a) and (b)** describe the above lines. Hence, **option (d)[Both (a) and (b)]** is the right answer choice.

S12. Ans. (d)

Sol. Refer to the third paragraph, the hint can be drawn from the lines, *Removing refineries from the sample leads to a pre-tax profit decline of 4.3 per cent and net profit growth of just 1.25 per cent.*

Here, both (a) and (b) are justified with the above lines. Hence, option (d)[Both (a) and (b)] is the right answer choice.

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