

Quiz Date: 19th March 2020

Directions (1-8): Read the following passage and answer the following questions.

Government plans to amend IBC to ring-fence buyers of stressed assets from prosecution. While the amendments will help ring-fence buyers, aspects like cross-border insolvency remain to be addressed. The recent amendments to the Insolvency and Bankruptcy Code (IBC) approved by the Union Cabinet can go a long way in addressing some of the gaps in the resolution process. Crucially, the proposed Bill has sought to provide a clean slate to buyers of stressed assets, by shielding them from prosecution for offences by previous promoters.

By way of insertion of Section 32A in the Code, the amendment seeks to provide immunity to the corporate debtor and its assets, from an offence committed prior to the commencement of the insolvency process. In other words, it seeks to ring-fence the corporate debtor and property from offences committed by the previous management or promoters. At a time when there have been growing concerns over investigative agencies initiating action against companies after the completion of the resolution process (Bhushan Power and Steel), the amendment offers much needed clarity and relief to prospective buyers. At the same time, the Bill requires the corporate debtor or other persons to extend cooperation to investigating authorities. Importantly, the immunity will only apply in cases where _____ (A) in a change in management or control of the corporate debtor. While the amendment seeks to release the corporate debtor from the liability of the offence, it continues to hold the concerned persons responsible for the offences and they can be prosecuted.

In a bid to check **frivolous** insolvency applications, the Bill also seeks to raise the minimum threshold for initiating the process, in the case of financial creditors represented by an authorised representative. In the case of home-buyers for instance, the application for initiating insolvency process has to be filed by at least 100 creditors or 10 per cent of such creditors, whichever is lower. The Bill also clarifies that licences, permits, concession, clearances, etc., in force cannot be suspended or terminated during the moratorium period, provided there is no default in payment of dues. This is critical to ensure that the company is maintained as a going concern and value is preserved. The Bill has also sought to allow the resolution professional to continue to manage the company in case the process is delayed beyond the 330-day deadline.

While the recent amendments and the Supreme Court ruling in the Essar Steel case upholding the rights of the secured creditors, should help smoothen the IBC process, there are several other aspects that require closer scrutiny. To curb frivolous insolvency applications, increasing the default **threshold** — currently at a mere ₹1 lakh — is critical. The Bill did not include the much awaited cross border insolvency framework, which is imperative to deal with cases like the Nirav Modi scam. The global web of shadow entities Nirav Modi used for perpetrating the \$4 billion fraud, only goes to show how lenders or government agencies may be incapable of recovering anything in such cases. Holding defaulters responsible in the eyes of the law is one thing; bringing them to book is another thing altogether.

Q1. What protection does the IBC amendments provide to customers of bad loans?

- (a) Protection from getting prosecuted for the offences committed by previous promoters.
- (b) Giving them a clean slate to write on
- (c) Addressing the issues of buyers to get better returns
- (d) Bringing changes in the amendments to benefits banks
- (e) None of these

Q2. On what condition does the bill shield the corporate debtor and property?

- (a) Giving clarity to potential victims
- (b) Change in management or control due to the resolution plan
- (c) Commencing the insolvency process
- (d) Need of extension in cooperation from the debtors' side
- (e) None of these

Q3. How does the Bill currently deal with the senseless insolvency applications?

- (a) Initiating the process without any paper-work
- (b) Filing of applications in an anonymous manner to secure identities.
- (c) Mandate to file insolvency application by around 10% of the creditors
- (d) Uplifting the minimum limits in order to begin the process
- (e) Both (b) and (c)

Q4. What are the guidelines of the Bill in case of a company being placed under moratorium provided no payment defaults occur?

- (a) Termination and Suspension of Licenses, concession, permits etc will not take place forcibly.
- (b) Lowering the suspension rates
- (c) Maintenance of values and concerns
- (d) Both (b) and (c)
- (e) None of these

Q5. What are the issues that still need to be addressed?

- (a) Non-inclusion of framework for cross-border insolvency
- (b) Curbing senseless insolvency application by increasing the current monetary threshold.
- (c) Both (a) and (b)
- (d) Bringing the defaulters before the law
- (e) None of these

Q6. Which of the following words is most similar in meaning with the **FRIVOLOUS** highlighted in the passage?

- (a) Serious
- (b) Flippant
- (c) Genuine
- (d) Practical
- (e) None of these

Q7. Which of the following words is most opposite in meaning with the **THRESHOLD** highlighted in the passage?

- (a) Allowance
- (b) Enhanced
- (c) Concentrated
- (d) Utmost
- (e) None of these

Q8. Which of the following phrases can fill in the blank (A) to complete the sentence and make it grammatically and contextually correct?

- (a) The offence is treated as sole reason
- (b) The resolution plan has resulted
- (c) Growing concerns over the propose bill
- (d) With a need to get more clarity for buyers
- (e) None of these

Directions (9-15): In each of the given questions, a word has been highlighted in the statement. In the options given below, a pair of words has been given. Find the pair of the word where the first word is the synonym of the highlighted word whereas the second word is the antonym of the given word.

Q9. The practice of killing animals for food is utterly **abhorrent** to me.

- (a) Hated, Loathsome
- (b) Repugnant, Admirable
- (c) Detested, Hateful
- (d) Loved, Affectionate
- (e) None of these

Q10. The result has been burgeoning variety and a **breakneck** expansion of the private sector.

- (a) Fast, High Speed
- (b) Lightning, Speedy
- (c) Rapid, Instant
- (d) Whirlwind, Slow
- (e) None of these

Q11. She was disturbed by her boss, who **insinuated** in writing that the woman needed to set better boundaries.

- (a) Suggest, Withdraw
- (b) Hint, Intricate
- (c) Whisper, Indicate
- (d) Alienate, Extract
- (e) None of these

Q12. South Carolina could be the 38th state to **ratify** the Equal Rights Amendment (ERA), entering a guarantee of equal rights for women into the U.S. Constitution.

- (a) Confirm, Endorse
- (b) Sanction, Accept
- (c) Approve, Revoke
- (d) Reject, Decline
- (e) None of these

Q13. Actually, the way helical molecules pack together is not of great interest because their structures are too rigidly determined and **unyielding**.

- (a) Certain, Elastic
- (b) Rigid, Tight
- (c) Resolute, Uncompromising
- (d) Unbending, Flexible
- (e) None of these

Q14. We hope the programme will **dispel** certain misconceptions about the disease.

- (a) Cheer, Away
- (b) Dismiss, Banish
- (c) Eliminate, Engender
- (d) Produce, Create
- (e) None of these

Q15. Rather than reducing problems, these **strident** warnings about food safety add to the burden of human suffering.

- (a) Rasping, Soft
- (b) Harsh, Cruel
- (c) Grating, Tough
- (d) Soft, Delicate
- (e) None of these

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Directions (8-15): In each of the following questions, a sentence is given with a blank. There are five phrasal verbs given below each sentence, one out of which can be used in the blank to form a meaningful sentence. Choose the most appropriate idiom among the five options that makes the sentence contextually meaningful.

Q8. As coronavirus closes businesses, health-care facilities _____ elective surgery.

- (a) Grow up
- (b) break down
- (c) go ahead
- (d) Cut Back on
- (e) come apart

Q9. Whether traveling to work or stocking up on groceries, most Angelenos still need to _____ the city.

- (a) Get back into
- (b) Get around
- (c) Get away
- (d) Find out
- (e) Get on

Q10. After fans _____ on Riverdale, they'll be looking for something to watch next.

- (a) Break out
- (b) Look into
- (c) Fill in
- (d) Catch up
- (e) Eat out

Q11. Most newspaper owners in our country have no way to _____ the government as they have to protect their businesses.

- (a) Get away with
- (b) Go over
- (c) Go against
- (d) Give in
- (e) Go after

Q12. Churchill Show losses _____ millions as recording done without audience.

- (a) Check out
- (b) Drop out
- (c) Fill in
- (d) Get together
- (e) Run into

Q13. The chemical coating helps repel fingerprints and other grubby paw marks, but it can _____ quite quickly.

- (a) Catch up
- (b) Get over
- (c) Use up
- (d) Warm up
- (e) Wear off

Q14. The way you approach someone and _____ for a date makes for an important aspect of the entire dating world.

- (a) Ask out
- (b) Blow up
- (c) Work out
- (d) Break into
- (e) Break in

Q15. If you _____, in the year 2000 the company announced everyday free shipping to the industry and it was considered ridiculous and unsustainable.

- (a) Think back
- (b) Bring up
- (c) Tear up
- (d) Calm down
- (e) Take off



Solutions:

S1. Ans. (a)

Sol. Refer to the first paragraph, the hint can be drawn from the lines, *the proposed Bill has sought to provide a clean slate to buyers of stressed assets, by shielding them from prosecution for offences by previous promoters.*

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

S2. Ans. (b)

Sol. Refer to the second paragraph, the hint can be drawn from the lines, *. Importantly, the immunity will only apply in cases where the resolution plan has resulted in a change in management or control of the corporate debtor.*

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

S3. Ans. (e)

Sol. Refer to the third paragraph, the hint can be drawn from the lines, *In a bid to check frivolous insolvency applications, the Bill also seeks to raise the minimum threshold for initiating the process, in the case of financial creditors represented by an authorised representative. In the case of home-buyers for instance, the application for initiating insolvency process has to be filed by at least 100 creditors or 10 per cent of such creditors, whichever is lower.'*

Hence, **option (e)[Both (b) and (c)]** is the right answer choice.

S4. Ans. (a)

Sol. Refer to the third paragraph, the hint can be drawn from the lines, *The Bill also clarifies that licences, permits, concession, clearances, etc., in force cannot be suspended or terminated during the moratorium period, provided there is no default in payment of dues. This is critical to ensure that the company is maintained as a going concern and value is preserved.*

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

S5. Ans. (c)

Sol. Refer to the last paragraph of the passage, the hint can be drawn from the lines, *While the recent amendments and the Supreme Court ruling in the Essar Steel case upholding the rights of the secured creditors, should help smoothen the IBC process, there are several other aspects that require closer scrutiny. To curb frivolous insolvency applications, increasing the default threshold — currently at a mere ₹1 lakh — is critical. The Bill did not include the much-awaited cross border insolvency framework, which is imperative to deal with cases like the Nirav Modi scam.*

Hence, **option (c)[Both (a) and (b)]** is the right answer choice.

S6. Ans. (b)

Sol. **flippant** is the most similar in meaning with the given word. Hence, **option (b)** is the right answer choice.

S7. Ans. (d)

Sol. Utmost is the most opposite in meaning with the given word. Hence, option (d) is the right answer choice.

S8. Ans. (b)

Sol. **"The resolution plan has resulted"** can fill in the blank (A) to complete the sentence and make it grammatically and contextually correct. Hence, **option (b)** is the right answer choice.

S9. Ans. (b)

Sol. Among the given set of options, **Repugnant** is **synonym** whereas **Admirable** is **antonym** of the given word. Hence, **option (b)** is the right answer choice.

S10. Ans. (d)

Sol. Among the given set of options, **Whirlwind** is **synonym** whereas **Slow** is **antonym** of the given word. Hence, **option (d)** is the right answer choice.

S11. Ans. (a)

Sol. Among the given set of options, **Suggest** is **synonym** whereas **Withdraw** is **antonym** of the given word. Hence, **option (a)** is the right answer choice.

S12. Ans. (c)

Sol. Among the given set of options, **Approve** is **synonym** whereas **Revoke** is **antonym** of the given word. Hence, **option (c)** is the right answer choice.

S13. Ans. (d)

Sol. Among the given set of options, **Unbending** is **synonym** whereas **Flexible** is **antonym** of the given word. Hence, **option (d)** is the right answer choice.

S14. Ans. (c)

Sol. Among the given set of options, **Eliminate** is **synonym** whereas **Engender** is **antonym** of the given word. Hence, **option (c)** is the right answer choice.

S15. Ans. (a)

Sol. Among the given set of options, **Rasping** is **synonym** whereas **Soft** is **antonym** of the given word. Hence, **option (a)** is the right answer choice.

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