

Quiz Date: 1<sup>st</sup> April 2020

Directions (1- 8): 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.

The complete 21-day COVID-19 shutdown of most economic activity has created new roadblocks, causing severe disruptive impact on both demand and supply side elements across sectors. The cost of the lockdown is pegged at around \$120 billion (approximately ₹9 lakh crore) or 4% of the GDP. Further, 90% of India's workforce is employed in the unorganised sector and this lockdown will effectively put over 45 million migrants living off daily earnings out of work. Sectors like construction projects, mobility services, housekeeping and other informal sector employment will come to a sudden halt.

The manufacturing sector faces a triple challenge. First, there are going to be serious supply chain disruptions not just when dealing with foreign parties, but also the domestic industry. Second, sectors like automobiles, pharmaceuticals, electronics, chemical products etc., are facing an imminent raw material and component shortage.

Third, the shutdown and resulting loss of revenue is certain to cause a number of bankruptcies and closures, especially in the MSME sector with corresponding disruption to supply chains. On the demand side, several industries would get impacted starting with the consumer durable goods and will cascade to other intermediate goods and basic goods. The government was the major spender on investment in the infrastructure sector, which will slowdown now with resources and attention being diverted.

Hence, industries like steel and cement, which did well, last year, will **stumble**.

The services sector will see a fall in demand. These include aviation, hotels, restaurants, tourism, retail malls etc. The real estate sector, which was already in deep trouble, could well slide even more, in the medium term at least. Even 10-20% job losses among its 7.3 million employees in restaurants across the country would mean up to 15 lakh unemployed. Any delay in addressing the economic consequences will lead to massive job losses.

SICCI suggests the following: the Reserve Bank of India has to address two problems:

Transmission on rate cuts has been inadequate. Second, rate cuts by themselves are unlikely to stimulate demand as the primary cause for demand contraction will be on account of consumer confidence being low. Though the RBI has provided some relief to industries, it is inadequate considering the gravity of the situation. SICCI feels that only the stronger firms in any sector can have the capacity to keep salary payments going, in the absence of any revenue earnings. Firms cannot be expected to drain their already stretched cash-flows. To tide over the present crisis, banks should give three months' salary as overdraft facility to the employees of companies which can be ..... (A) to the companies with a nominal rate of interest not exceeding 3%.

The same could be recovered from companies over a period of three months, six months after commencement of production, post the present crisis. On electronic component and semiconductor industry, the impact will be felt in the areas of logistics, packaging and testing. A special package should be designed for this highly skilled industry.

In the case of contract workers, many casual and informal workers are directly or indirectly dependent on the survival of small and medium enterprises for jobs.

The government could lend support through tax holidays and zero-interest loans for three months. In the case of services sector, the government should consider contributing the employer's share of PF for all employees earning less than ₹20,000 per month and ESI contribution for all employees earning below the statutory threshold level of ₹21,000 per month, for a period of 12 months. For firms that have difficulties in managing their cash flows, the government should extend a government-backed loan guarantee, on the basis of which firms can raise loans on preferential terms to the extent of 25% of their existing working capital arrangements.

Q1. Why the impact of lockdown will be more on the migrant workers?

- (a) 90% of nation's workforce works in the unorganized sector
- (b) The migrant workers live off daily earnings
- (c) Both (a) and (b)
- (d) The real estate sector and mobility services will be stopped
- (e) All (a), (b), and (d)

Q2. What are the three facets challenges of manufacturing sector as mentioned in the given passage?

- (i) Drastic disruptions in supply chain at both national and international levels
- (ii) Various sectors facing issues related to less purchases by consumers
- (iii) Shortage of raw material and components
- (iv) Bankruptcy and closures due to the shutdown and resultant revenue loss
- (v) MSME sector facing huge challenges in terms of demand

- (a) (i), (ii), (iii)
- (b) (i), (ii), (v)
- (c) (i), (iv), (v)
- (d) (i), (iii), (iv)
- (e) (i), (iii), (v)

Q3. How will changes in demand affect the industries, as mentioned in the given passage?

- (a) Cascading of consumer durable goods from intermediate to basic ones
- (b) Slowing down in the infrastructure sector
- (c) Diversion of attention and resources of the government
- (d) All of the above
- (e) None of these

Q4. What are the two problems that need to be redressed by RBI?

- (a) Large firms are incapable of keeping the salary payments continuous
- (b) Inadequacy in the transmission of rate cuts
- (c) Inability of rate cuts in stimulating the demand
- (d) Both (b) and (c)
- (e) Only (a)

Q5. What role banks can play to tide-over the current ongoing crisis?

- (a) Giving three months' salary as an advance to the employees
- (b) Having a bond with companies' owners to pay their employees
- (c) Signing an agreement with the companies' owners
- (d) Overdraft facility of 3months salary for the companies' employees
- (e) Transferring 3 months' salary directly to the employee's account

Q6. How government can ease the hardships of contract workers?

- (a) Launching a scheme for small and medium enterprise workers
- (b) Releasing a dedicated fund for contract workers
- (c) Levying tax on Holidays
- (d) Loans on zero-interest for 3 months
- (e) Both (c) and (d)

Q7. Which of the following is most similar in meaning with **STUMBLE** as highlighted in the given passage?

- (a) Blunder
- (b) Locate
- (c) Slip
- (d) Hesitate
- (e) None of these

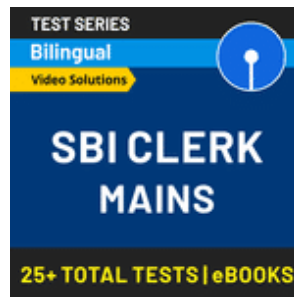
Q8. Which of the following words can fill in the blank (A) to make the sentence grammatically and contextually correct?

- (a) Necessitated
- (b) Confronted
- (c) Applauded
- (d) Bestowed
- (e) Escrowed



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Direction (9-15): There are two different sentences with a blank space in each question. Choose the word from the given options which fits into both the blanks appropriately adding a proper and logical meaning to the sentences.

Q9.

(I) Israeli Prime Minister Benjamin Netanyahu was self-isolating on Monday after a parliamentary \_\_\_\_\_ tested positive for coronavirus.

(II) A Mazagaon developer has lodged an FIR against a person who tried to extort money from him claiming to be an \_\_\_\_\_ of gangster.

- (a) Onset
- (b) Aide
- (c) Requirement
- (d) Investment
- (e) Incessantly

Q10.

(I) Once a power to \_\_\_\_\_ is held to depend on precedent fact, then of course anyone subjected to it can properly invoke habeas corpus.

(II) In the later years, major state intelligence agencies had their safe houses to \_\_\_\_\_ and question Tiger guerrilla suspects.

- (a) Detain
- (b) Eradicate
- (c) Functional
- (d) Disposition
- (e) Disappear

Q11.

(I) The aircraft are designed to \_\_\_\_\_ and intercept incoming enemy jets before they can pose a threat to the carriers.

(II) Ultimately, unless his fever was reduced with intravenous liquids, it would \_\_\_\_\_ his brain like eggs in a frying pan.

- (a) Lethargy
- (b) Municipal
- (c) Jovial
- (d) Progress
- (e) Scramble

Q12.

(I) Supporters believe emergency drivers should be \_\_\_\_\_ from speed limits when lives depend on a swift response.

(II) Assam ministers split on government's decision to \_\_\_\_\_ tea gardens from lockdown.

- (a) Underlying
- (b) Consider
- (c) Minute
- (d) Exempt
- (e) Accord

Q13.

(I) Doctors are forced to reuse scarce masks through the day as hospital supplies of personal protective equipment (PPE) rapidly \_\_\_\_\_.

(II) As the world's oil resources continue to \_\_\_\_\_, the competition to find an alternative fuel increases in intensity.

- (a) Evident
- (b) Practice
- (c) Dwindle
- (d) Intend
- (e) Concern

Q14.

(I) President Jair Bolsonaro issued an amendment to a \_\_\_\_\_ intended to ensure the continued operation of 'essential' businesses.

(II) The government, made up of 16 ministers and seven secretaries of state was officially announced overnight in a presidential \_\_\_\_\_.

- (a) Commit
- (b) Decree
- (c) Approach
- (d) Establish
- (e) Issue

Q15.

(I) Appendices enable the student to demonstrate due diligence without distracting or confusing the reader with \_\_\_\_\_ material.

(II) To examine treatment effects, experimenters manipulate independent variables and control \_\_\_\_\_ variables.

- (a) Utter
- (b) Obtain
- (c) Engage
- (d) Conduct
- (e) Extraneous



## Solutions

S1. Ans. (c)

Sol. Refer to the first paragraph, the hint can be drawn from the lines, *Further, 90% of India's workforce is employed in the unorganised sector and this lockdown will effectively put over 45 million migrants living off daily earnings out of work. Sectors like construction projects, mobility services, housekeeping and other informal sector employment will come to a sudden halt.*

Both option (a) and (b) are justified with these lines. Hence, option (c) is the right answer choice.

S2. Ans. (d)

Sol. Refer to the second paragraph, the hint can be drawn from the lines,

*The manufacturing sector faces a triple challenge. First, there are going to be serious supply chain disruptions not just when dealing with foreign parties, but also the domestic industry. Second, sectors like automobiles, pharmaceuticals, electronics, chemical products etc., are facing an imminent raw material and component shortage.*

*Third, the shutdown and resulting loss of revenue is certain to cause a number of bankruptcies and closures, especially in the MSME sector with corresponding disruption to supply chains.*

Here, (i), (iii), and (iv) statement are justifying the three challenges as being faced by the manufacturing sector. Hence, option (d) is the right answer choice.

S3. Ans. (d)

Sol. Refer to the third paragraph, the hint can be drawn from the lines, *On the demand side, several industries would get impacted starting with the consumer durable goods and will cascade to other intermediate goods and basic goods. The government was the major spender on investment in the infrastructure sector, which will slowdown now with resources and attention being diverted.*

*Hence, industries like steel and cement, which did well, last year, will stumble.*

Here, options (a), (b), and (c) justify the above lines. Hence, option (d) is the right answer choice.

S4. Ans. (d)

Sol. Refer to the fifth paragraph, the hint can be drawn from the lines, *the Reserve Bank of India has to address two problems: Transmission on rate cuts has been inadequate.*

*Second, rate cuts by themselves are unlikely to stimulate demand as the primary cause for demand contraction will be on account of consumer confidence being low.*

Here, both options (b) and (c) justify the above lines. Hence, option (d) is the right answer choice.

S5. Ans. (d)

Sol. Refer to the fifth paragraph, the hint can be drawn from the lines,

*Firms cannot be expected to drain their already stretched cash-flows. To tide over the present crisis, banks should give three months' salary as overdraft facility to the employees of companies which can be escrowed to the companies with a nominal rate of interest not exceeding 3%.*

Here, only option (d) justifies the above lines. Hence, option (d) is the right answer choice.

S6. Ans. (e)

Sol. Refer to the sixth paragraph, the hint can be drawn from the lines,

*In the case of contract workers, many casual and informal workers are directly or indirectly dependent on the survival of small and medium enterprises for jobs.*

*The government could lend support through tax holidays and zero-interest loans for three months.*

Both the **options (c) and (d)** justify the above lines.

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

S7. Ans. (c)

Sol. **Stumble** means **trip or momentarily lose one's balance; almost fall.**

**Slip** is most similar in meaning with the given word. Hence, **option (c)** is the right answer choice.

S8. Ans. (e)

Sol. **Escrowed** can fill in the blank (A) to make the sentence grammatically and contextually correct.

Escrowed- a bond, deed, or other document kept in the custody of a third party and taking effect only when a specified condition has been fulfilled **OR** place in custody or trust until a specified condition has been fulfilled.

Bestowed- confer or present (an honor, right, or gift).

S9. Ans. (b)

Sol. **Aide** fits into both the blanks appropriately adding a proper and logical meaning to the sentences. Hence, **option (b)** is the right answer choice.

Aide- an assistant to an important person, especially a political leader.

Incessantly- without interruption

S10. Ans. (a)

Sol. **Detain** fits into both the blanks appropriately adding a proper and logical meaning to the sentences. Hence, **option (a)** is the right answer choice.

S11. Ans. (e)

Sol. **Scramble** fits into both the blanks appropriately adding a proper and logical meaning to the sentences. Hence, **option (e)** is the right answer choice.

Scramble- make one's way quickly or awkwardly up a steep gradient or over rough ground by using one's hands as well as one's feet **OR** order (a fighter aircraft or its pilot) to take off immediately in an emergency or for action.

Lethargy-inactivity; showing an unusual lack of energy

Jovial-full of or showing high-spirited merriment

S12. Ans. (d)

Sol. **Exempt** fits into both the blanks appropriately adding a proper and logical meaning to the sentences. Hence, **option (d)** is the right answer choice.

S13. Ans. (c)

Sol. **Dwindle** fits into both the blanks appropriately adding a proper and logical meaning to the sentences. Hence, **option (c)** is the right answer choice.

**Dwindle-** diminish gradually in size, amount, or strength.

S14. Ans. (b)

Sol. **Decree** fits into both the blanks appropriately adding a proper and logical meaning to the sentences. Hence, **option (b)** is the right answer choice.

**Decree-** an official order that has the force of law.

S15. Ans. (e)

Sol. **Extraneous** fits into both the blanks appropriately adding a proper and logical meaning to the sentences. Hence, **option (e)** is the right answer choice.

**Extraneous-** irrelevant or unrelated to the subject being dealt with.

of external origin

separate from the object to which it is attached.



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