

**Institute of Banking Personnel Selection**  
**Banks Probationary officers Common Written Examination-2011**  
**(IBPS Banks PO CWE-2011)**  
**(English Language)**

**Directions (1-10):** Read the following passage carefully and answer the questions given below it. Certain words have been printed in bold to help you locate them while answering some of the questions.

Today, with a Nobel Prize to its credit, Grameen is one of the largest microfinance organisations in the world. It started out lending small sums to poor entrepreneurs in Bangladesh to help them grow from a subsistence living to a livelihood. The great discovery its founders made was that even with few assets, these entrepreneurs repaid on time. Grameen and microfinance have since become financial staples of the developing world. Grameen's approach, unlike other microfinancers uses the group-lending model. Costs are kept down by having borrowers vet one another, tying together their financial fates and eliminating expensive loan officers entirely. The ultimate promise of Grameen is to use business lending as a way for people to lift themselves out of poverty.

Recently Grameen has taken on a different challenge – by setting up operations in the United States. Money may be tight in the waning recession, but it is still a nation of 1,00,000 bank branches. Globally, the working microfinance equation consists of borrowing funds cheaply and keeping loan defaults and overhead expenses sufficiently low. Microlenders, including Grameen, do this by charging colossal interest rates – as high as 60% or 70% – which is necessary to compensate for the risk and attract bank funding. But loans at rates, much above the standard 15% would most likely be attacked as usurious in America.

So, the question is whether there is a role for a Third World lender in the world's largest economy? Grameen America, believes that in a few years it will be successful and turn a profit, thanks to 9 million United States households untouched by main-stream banks and 21 million using the likes of payday loans and pawn shops for financing. But enticing the unbanked won't be easy. After all, profit has long eluded United States microfinancers and if it is not lucrative; it is not microlending – but charity. When Grameen first went to the United States, in the late 1980s, it tripped up. Under Grameen's tutelage, Banks started micro loans to entrepreneurs with a shocking 30% loss. But Grameen America says that this time results will be different because Grameen employees themselves will be making the loans, not training an American bank to do it. More often than not, the borrowers. Grameen finds in the United states already have jobs (as factory workers for example) or side businesses – selling toys, cleaning houses etc. The loans from Grameen, by and large, provide a steadier source of funding, but they don't create businesses out of nothing. But money isn't everything. More importantly for many entrepreneurs, group members are tremendous sources of support to one another. So even if studies are yet to determine if Grameen is a clear-cut pathway out of poverty, it still achieves something useful.

1. What has adversely affected the success of microfinance institutions in the United

States?

- (a) The focus of these institutions is on making a profit at any cost instead of being charitable to the needy.
- (b) American banks engaged in microlending were the most severely hit during the recession.
- (c) Widespread perception among bankers that these institutions are better suited to developing countries
- (d) Their failure to attract those outside the formal banking system as customers
- (e) Americans are too proud to accept aid from third world countries.

Ans: (a)

2. Why has Grameen made a second attempt to launch in the United States?

- (a) The Willingness of U.S. banks to provide the necessary staff and funds to facilitate the spread of microfinance.
- (b) The rates of interest on loans in the U. S. are exorbitant making it easier to recover capital.
- (c) The realisation that a large percentage of the American population not reached by mainstream banks can be tapped.
- (d) Recognition of the fact that disbursing credit developing countries during the recession is too risky.
- (e) None of these

Ans: (c)

3. Which of the following can be inferred from the passage?

- (a) Microfinance has been successful only in Asian countries
- (b) Microfinance makes individual borrowers dependent rather than independent
- (c) America has the largest number of banks in the world
- (d) There is scope for microfinance institutions to be profitable in developed countries
- (e) There are no informal sources of credit in developed countries

Ans: (d)

4. According to the author, what has enhanced the likelihood of success for Grameen America at present?

- (a) Its success in Bangladesh and other developing countries
- (b) Absence of other microfinance Institutions for competition
- (c) The fact that America is currently in the midst of recession.
- (d) It provides loans at nominal rates of interest i.e. below 15 percent
- (e) None of these

Ans: (e)

5. Which of the following can be said about Grameen?

- (A) Its success in developing countries will ensure success in developed countries
- (B) It ensures that the poor in developing countries enjoy a subsistence standard of living.
- (C) It has demonstrated that the poor are far more likely to repay loans than the affluent.

- (a) None
- (b) Only (A)
- (c) Only (A) and (C)
- (d) Only (B)
- (e) Only (C)

Ans: (e)

6. What is the central theme of the passage?

- (a) The contention that Grameen is doomed to fall in developed countries.
- (b) A comprehensive evaluation of the current status of the American economy.
- (c) A discussion about the prospects of Grameen and micro finance in the U.S.
- (d) The role of banks in facilitating microlending efforts in developed nations
- (e) Microfinance efforts are useful in developing countries but are futile in developed ones.

Ans: (c)

7. Why was Grameen America's initial U. S. initiative a flop?

- (A) Lack of proper training to Grameen America personnel.
- (B) Grameen's refusal to adapt their system to meet the needs of the American poor.
- (C) It ended up giving loans at half their customary rates of interest.

- (a) None
- (b) Only (A)
- (c) Only (A) and (C)
- (d) Only (B)
- (e) Only (C)

Ans: (a)

8. Which of the following is a benefit of the Grameen system of microfinance?

- (a) If a single member is unable to repay a loan other group members will repay it.
- (b) Dispensing with the expense of technology networks to monitor advances
- (c) It utilises the vast bank network already existing in a country
- (d) Group members can sanction loans and verify if borrowers have sufficient collateral.
- (e) Backing that borrowers receive from other group members

Ans: (e)

9. Which of the following is most similar in meaning to the word "ELUDED" as used in the passage?

- (a) Avoided
- (b) Duped
- (c) Abandoned
- (d) Intangible
- (e) Betrayed

Ans: (a)

10. Which of the following is most opposite in meaning to the word “COLOSSAL”, as used in the passage?

- (a) Short
  - (b) Lavish
  - (c) Minority
  - (d) Frugal
  - (e) Insignificant
- Ans: (d)

**Directions (11-15):** Read each sentence to find out whether there is any grammatical mistake/error in it. The error if any, will be in one part of the sentence. Mark the number of the part with error as your answer. If there is ‘No error’ mark (e).

11. We are yet starting (a)/ offering this facility to (b)/ our customers as we are (c)/ awaiting approval from the Board. (d)/ No error (e)

Ans: (a)

12. The Chairmen of all large (a)/ public sector banks met with (b)/ senior RBI officials to give its (c)/ suggestions about implementing the new policy. (d)/ No error (e)

Ans: (c)

13. They have not fully considered (a)/ the impact that relaxing (b)/ these guidelines is likely (c)/ to have with the economy, (d)/ No error (e)

Ans: (d)

14. Had this notification (a)/ been amended earlier; (b)/ we could have stopped (c)/ the transfer of funds. (d)/ No, error (e)

Ans: (e)

15. There are many insurance (a)/ disputes nowadays because of (b)/ most people do not fully (c)/ understood the terms and conditions of their policies. (d)/ No error.

Ans: (b)

**Directions (16-20):** In each question a sentence with two words/groups of words printed in bold type are given. One of them or both of them may have a certain error. You have to find out the correct word/group of words from among the four choices given below each sentence to replace the incorrect words.’ group of words and make the sentence grammatically correct and meaningful. If the sentence is correct as it is mark (e) ‘No correction required’ as your answer.

16. Many senior citizens are finding this difficult to affordable essential commodities today.

- (a) it – afford
- (b) much – afforded
- (c) still – be affording
- (d) their – afford

(e) No correction required

Ans: (a)

17. He has raised some pertinent issues they require a serious discussion.

(a) pertinence – requiring

(b) pertinent – which require

(c) pertaining – that requires

(d) pertinently – will requires

(e) No correction required

Ans: (b)

18. In order to be compete today a company should innovative.

(a) competing – must

(b) competent – is

(c) competed – should have

(d) competitive – should be

(e) No correction required

Ans: (d)

19. While the company make great strides on the environmental front it has updated its H R practices.

(a) make – will update

(b) making – updating

(c) has made – yet update

(d) made – did not update

(e) No correction required

Ans: (d)

20. Corruption acted as a disincentive for investment and harm economic growth.

(a) actions – harmful

(b) actively – harm

(c) acts – harms

(d) will act – harming

(e) No correction required

Ans: (c)

**Directions (21-30):** Read the following passage carefully and answer the questions given below' it. Certain words/phrases have been printed in bold to help you locate them while answering some of the questions.

The great recession hasn't been great for free trade. As unemployment has been throughout the world, governments have become more focused on protecting their own

Industries than on promoting international commerce. The U. S. though typically an enthusiastic supporter of open markets included “buy American” clauses in its stimulus package and propped up its ailing auto industry with handouts.

But according to the Asian Development Bank (ADB), in the part of the world that was hit hardest by the trade crash-Asia, the number of Free- Trade Agreements (FTAs) signed by Asian countries has grown from just three in 2000 to 56 by the end of August 2009. Nineteen of those FTAs are among 16 Asian economies a trend that could help the region become a powerful trading bloc.

The drive to lower trade barriers has taken on fresh urgency amid, the recession. As Asian manufacturing networks become more intertwined – and as Asian consumers become wealthier-regional commerce is becoming critical to future economic expansion. Intraregional trade last year made up 57% of total Asian trade, up from 37% in 1980. In the past Asia produced for America and Europe, now Asia is producing for Asia. Of course, Asia is still dependent on sales to the West. But FTAs could reduce the region’s exposure to the United States by giving Asian companies preferential treatment in selling to Asian companies and consumers. These benefits could come with downsides, however. According to experts. FTAs create a “non- level playing field with advantages for Asian countries”. If the most dynamically growing part of the global economy gives the U .S. restricted access it will impact global balance. Companies in countries like the United States left out of the trade ‘pacts could face disadvantages when trying to tap fast – growing Asian markets, This, in turn, could have a negative impact on efforts to rebalance excessive debt in the U.S. and excessive savings in Asia. Still, the benefits of greater regional integration could prove powerful enough to overcome the roadblocks. In Asia, the only thing everyone agrees upon is business. If it does, the world economy may never be the same.

21. What do the Asian Development Bank statistics indicate?

- (a) Asian economies are financially more sound than those of the developed world
- (b) The financial crisis impacted the West far more than it did Asia
- (c) Asian countries have aligned themselves on lines similar to the European Union
- (d) Western, countries are sceptical about trading with developing countries
- (e) Asian countries have been actively opening their markets to one another.

Ans: (e)

22. What has given rise, to the large number of trade agreements between Asian countries?

- (a) The need to insulate Asian economies from over- exposure to the American economy
- (b) Angry reaction among Asian countries owing to America’s protectionist policy
- (c) The aim of empowering the poorer Asian economies and bring them on par with Western economies.
- (d) The desire to achieve conditions conducive to global consensus on trade regulations and tariffs.
- (e) Widespread panic in Europe and Asia as Asian economies are yet to recover from the recession.

Ans: (d)

23. Which of the following is NOT TRUE in the comer the passage?

- (A) Political and economic rivalries between A, countries are non-existent today.
- (B) Asian countries hold America responsible for recession and have imposed economic sanctions against the U.S.
- (C) America has adopted a protectionist strategy after the recession.
- (a) Only (A)
- (b) Only (B) and (C)
- (c) Only (A) and (B)
- (d) Only (C)
- (e) None of these

Ans: (c)

24. Which of the following describes expert predictions' trade pacts between Asian countries?

- (a) These will be beneficial and are likely to give rise to a common Asian currency
- (b) Tariffs will be lowered and bureaucratic regulation will become transparent
- (c) Widening of differences between participant and non-participant countries will hamper global stability
- (d) Regional conflicts will increase as competition and inequities between Asian nations will intensify.
- (e) They are likely to be short-lived as it will be difficult to get participating nations to arrive at a consensus.

Ans: (c)

25. Which of the following has/have not been (an) impact of the recession?

- (A) Various trade agreements signed between developed and Asian countries have not been honoured.
- (B) The U. S. government has restructured the automobile industry.
- (C) Regional conflicts in Asia have substantially reduced.
- (a) Only (C)
- (b) Only (A)
- (c) Only (A) and (B)
- (d) All (A), (B) and (e)
- (e) None of these

Ans: (d)

26. According to the author what danger does creating an Asian trading bloc pose?

- (a) Political instability in Asia will rise as some countries are wealthier than others
- (b) American consumers have ceased their demand for Asian goods
- (c) Unemployment in Asian countries will rise as many plants will be forced to close down.
- (d) It will alter the balance of power in the World with small Asian countries becoming most dominant.

(e) None of these

Ans: (d)

27. What is the author trying to convey through the phrase “In the past Asia produced for America and Europe, now Asia is producing for Asia”?

(a) The number of wealthy consumers in Asia outnumber those in America and Europe together

(b) Asian countries do not support free trade and continue to trade among themselves despite the recession

(c) Goods manufactured in Asian countries often fail to meet the standards set by developed countries.

(d) Asian countries no longer export to Western markets alone and now clear to Asian markets as well.

(e) Interregional and barriers between Europe and Asia have weakened considerably.

Ans: (d)

28. Which of the following is most opposite in meaning to the word ‘CRITICAL’ as used in the passage?

(a) Unimportant

(b) Complimentary

(c) Approval

(d) Sale

(e) Steady

Ans: (a)

29. Which of the following is most similar in meaning to the word “FRESH” as used in the passage?

(a) Additional

(b) Renewed

(c) Original

(d) Healthy.

(e) Modern

Ans: (e)

30. Which of the following can be said about the American economy in the context of the passage?

(A) Most American companies have opted to withdraw from Asia.

(B) America’s stand on free trade has altered because of the recession.

(C) The American economy is far too dependent on Asia for trade

(a) Only (A)

(b) Only (B)

(c) Only (C)

- (d) All (A), (B) and (C)  
(e) None of these  
Ans: (b)

**Directions (31-35):** In each question below a sentence with four words printed in bold type is given. These are numbered as (a), (b), (c) and (d). One of these four boldly printed words, may be either wrongly spelt or inappropriate in the context of the sentence. Find out the word which is wrongly spelt or inappropriate, if any. The number of that word is your answer. If all the boldly printed words are correctly spelt and also appropriate in the context of the sentence, mark (e) i.e. 'All Correct' as your answer.

31. This firm which is based (a)/ in France is prepared (b)/ to finance (c)/ small Indian businesses which produce (d)/ environment friendly products. All correct (e).  
Ans: (b)

32. Despite intense (a)/ pressure (b)/ from his superiors he refused to disclose (c)/ the findings (d)/ of the report. All correct (e).  
Ans: (c)

33. Corporates have benefited tremendously (a)/ from the government's timely (b)/ decision to waive (c)/ various tax. (d)/ All correct (e).  
Ans: (d)

34. Since you are unable (a)/ to repay the loan you have no alternate (b)/ but to seek (c)/ an extension. (d)/ All correct (e).  
Ans: (b)

35. A major (a)/ disadvantage (b)/ of this deal is that we shall have to bear (c)/ the cost (d)/ of training. All correct (e).  
Ans: (e)

**Directions (36-40):** In each question, there are two statements which can be combined into a single statement in a number of different ways without changing their meaning. Below them are given three probable starters (A), (B) and (C) of such a combined sentence. One, two, three or none of them may be correct. Decide upon which is/are correct, if any, and mark the option which denotes your answer on the answersheet. If none of the three starters is suitable mark (e) i.e.; 'None' as your answer.

36. Twelve million youth enter the Indian workforce every year. Eighty percent of these youth are unskilled.

- (A) While eighty percent.....
  - (B) Since 12 million.....
  - (C) Of the twelve million.....
  - (a) Only (A)
  - (b) Only (C)
  - (c) Only (A) and (C)
  - (d) All (A), (B) and (C)
  - (e) None
- Ans: (c)

37. Food inflation is touching 20 per cent. The government will have to tighten monetary policy to prevent further rise.

- (A) Although food inflation is.....
  - (B) With the tightening of monetary.....
  - (C) Given that food inflation.....
  - (a) Only (A)
  - (b) Only (B)
  - (c) Only (C)
  - (d) Only (A) and (B)
  - (e) None
- Ans: (c)

38. The government has decided to install renewable energy devices at prominent sites. Citizens will be more aware of their benefits.

- (A) The government's decision.....
  - (B) Deciding to install.....
  - (C) By making citizens.....
  - (a) Only (A)
  - (b) Only (A) and (B)
  - (c) Only (B)
  - (d) Only (C)
  - (e) None
- Ans: (a)

39. The company's sales were low at the beginning of the year. Its sales have picked up in the past few months.

- (A) Though the company's sales were low.....
- (B) Despite low sales at.....
- (C) However the company's sales have picked...
- (a) Only (A)
- (b) Only (A) and (B)
- (c) All (A),(B) and (C)

- (d) Only (B) and (C)
  - (e) None
- Ans: (c)

40. RBI is concerned about the risk of investing in mutual funds. RBI is likely to ask banks to reduce their investments in mutual funds.

- (A) At the risk of investing
  - (B) To reduce investments
  - (C) Concern for the risk
  - (a) Only (A)
  - (b) Only (B)
  - (c) Only (C)
  - (d) Only (A) and (B)
  - (e) None
- Ans: (b)

**Directions (41-50):** 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.

Seed quality is an (41) aspect of crop production. For ages, farmers have traditionally been selecting and (42) good quality seed, since it was in their interest to do so. They knew and understood the importance of quality seed in production.

However, with the advent of green revolution technology, based (43) on the high-yielding dwarf varieties of wheat and rice, mainstream thinking changed. Agricultural scientists, for reasons that remain (44) began to doubt, the ability of farmers to maintain seed quality (45). Aided by the World Bank, the Ministry of Agriculture launched a National Seeds Project in 1967. Under the project spread into three phases, seed processing plants were (46) up in nine states. Six states were covered under phase three. All that the huge processing plants were (47) to do was to provide 'certified' seeds of food crops, mainly self-pollinating crops, to farmers. In mid-1980s, the International Rice Research Institute (IRRI) in the Philippines concluded a study which (48) that there was hardly any difference in the crop yields from transplanted rice and from the crop sown by broadcast seeds. One would wonder why, in the first instance, were the farmers, asked to (49) over to transplanting paddy? The answer is simple – probably, to help the mechanical industries grow. Since rice, is the staple food in Asia, tractor sales could only grow if there was a way to move the machine in the rice fields. No wonder, the sales of tractors, puddlers, reapers and other associated (50) soared in the rice growing areas.

41.

- (a) irrational
- (b) main
- (c) brilliant
- (d) important

(e) empathetic

Ans: (d)

42.

(a) maintaining

(b) trusting

(c) selling

(d) processing

(e) creating

Ans: (b)

43.

(a) necessarily

(b) exceptionally

(c) primarily

(d) regularly

(e) truly

Ans: (c)

44.

(a) unexplained

(b) doubt

(c) some

(d) true

(e)

Ans: (a)

45.

(a) himself

(b) sometimes

(c) proper

(d) improve

(e) themselves

Ans: (b)

46.

(a) established

(b) created

(c) set

(d) wound

(e) thought  
Ans: (c)

47.  
(a) tried  
(b) mattered  
(c) meaning  
(d) supposed  
(e) expect  
Ans: (d)

48.  
(a) renounced  
(b) showed  
(c) passed  
(d) negated  
(e) directed  
Ans: (b)

49.  
(a) shift  
(b) make  
(c) turn  
(d) mull  
(e) switch  
Ans: (e)

50.  
(a) sell  
(b) equipments  
(c) people  
(d) techniques  
(e) creatures  
Ans: (b)