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Set No.:

715

Exam:

SBI PO PT

1. Which of the following words given in the option should come at the place marked as blank in the below paragraph to make it grammatically correct and meaningful. Also, the word should fill in the blanks given in the two sentences below to make them contextually correct and meaningful.

Government Papers are debt securities that are issued or guaranteed by a/n _____ government. Government paper of a nation is usually perceived as the least risky debt securities in that country, and will offer investors the lowest yields compared with debt of a similar maturity issued by other entities in that nation.

- I. If the Royal family of Monaco should ever be without a male heir, Monaco would cease to be a/n _____ state, and would become a self-governing French protectorate.
- II. In 1215, Britain's King John was forced by his lords to sign the Magna Carta acknowledging that free men are entitled to judgment by their peers, and that even a/n _____ is not above the law.
- (a) sovereign (b) independent (c) potentate
(d) monarch (e) All are correct
2. Which of the following sentences contains an error in it? If all the sentences are correct as they are your answer will be (e) i.e. All are correct.
- a) Risk perceptions of government paper issued by different nations vary widely.
- b) This variation depending on a number of factors.
- c) They include credit rating, default history, political stability, etc.
- d) U.S. government paper is considered to be among the safest investments and practically risk-free.
- e) All are correct.
3. A number of sentences are given below which, when properly sequenced, form a COHERENT paragraph. Four sentences are LOGICALLY connected but one is out of the context. Find that sentence.
- A. A Treasury bill (T-Bill) is a short-term debt obligation backed by the Treasury Dept. of the U.S. government with a maturity of less than one year, sold in denominations of \$1,000 up to a maximum purchase of \$5 million.
- B. Treasury Bills were first issued in India in 1917.
- C. When an investor purchases a T-Bill, the U.S. government effectively writes investors an IOU.
- D. T-bills have various maturities and are issued at a discount from par.

- E. They do not receive regular interest payments as with a coupon bond, but a T-Bill does include interest, reflected in the amount it pays when it matures.
(a) A (b) B (c) C (d) D (e) E

4. Read the following paragraph carefully and answer the question that follows.

A Treasury bond (T-bond) is a marketable, fixed-interest U.S. government debt security with a maturity of more than 10 years. Treasury bonds make interest payments semi-annually, and the income received is only taxed at the federal level. Treasury bonds are known in the market as primarily risk-free; they are issued by the U.S. government with very little risk of default.

Which of the following is incorrect about a treasury bond?

- a) It's an interest-bearing bond issued by the US Treasury.
- b) The federal government offers three categories of fixed-income securities to consumers and investors to fund its operations, one of which is a Treasury Bond.
- c) Treasury bonds are often referred to as long bonds because they take the longest to mature of the government-issued securities.
- d) They are offered to investors in a term of 30 years to maturity.
- e) The income received through a Treasury Bond is only taxed at the federal level.
5. Read the following paragraph carefully and answer the question that follows.
- A treasury note is a marketable U.S. government debt security with a fixed interest rate and a maturity between one and 10 years. Treasury notes are available from the government with either a competitive or non-competitive bid. With a competitive bid, investors specify the yield they want, at the risk that their bid may not be approved; with a non-competitive bid, investors accept whatever yield is determined at auction.
- Which of the following is correct about a Treasury Notes?
- a) Purchasers of T-Notes receive a fixed-interest payment every six months.
- b) Treasury notes are offered in a wide range of terms as short as two years and no longer than 10 years.
- c) T-notes also generate interest payments twice a year.
- d) Because the terms offered by T-notes are lower than T-bonds, they offer lower yields.
- e) The 10-year T-note is the most closely watched government bond. It is used as a benchmark rate for banks to calculate mortgage rates.

6. **Read the following paragraph carefully and answer the question that follows.**

Government paper in the U.S. is considered the risk-free rate. It's the safest investment in terms of return of principal, backed by the full faith and credit of the government. That's not to say these instruments can't lose value. They will rise and fall with prevailing interest rates until they reach maturity. If you went to sell a bill, bond or note before maturity you may get more or less than its face value. If you hold them until maturity, you'll be repaid the face value, plus you'll either collect interest along the way or at the end, depending on the instrument.

Which of the following is correct about Government paper?

- a) It's the most secure investment in terms of return of principal, backed by the full faith and credit of the government.
- b) There's no gainsaying that these instruments can't lose value.
- c) There's hardly any fluctuations with prevailing interest rates until they reach maturity.
- d) It is hardly held until maturity.
- e) Even before maturity an investor may be repaid the face value, plus he'll either collect interest along the way or at the end, depending on the instrument.

Direction (7-14): Read the following paragraph carefully and answer the questions that follow.

Are you a player in the stock market? Or are you someone who plays it safe and invests in mutual funds or fixed deposits? Though agree that it is better to be safe than sorry, [A] _____ . How To Buy Government Bonds In India? Let's take a sneak peek into the government bonds or securities. Sounds exciting and confusing. Yes, not only industrialist or banks can invest in government securities, but as small term investors, every individual can also make an investment. Exciting... Let us see how? Before we get into the details, ask yourself as to what you are looking out for either short or long-term investment? It is necessary to have a Demat account if you want to invest in shares. Demat accounts are accounts [B] _____ all trading stocks and mutual funds take place. Hearing stock market might scare you, but don't worry, government stocks or bonds are generally not available at the stock market. They are purely available with all the leading banks and post offices. For making an investment, you simply would have to visit the nearby branch with all the necessary documents for filling up the application form. To process your request, a minimum time period would be required, after which you will receive a bond certificate in your name. Sounds simple right. Let's get into the details as to who is registered and how the process works? As said earlier, small-time investors like us were not allowed to deal in government securities, but all thanks to the RBI. RBI has introduced a scheme known as a Negotiated dealing system - order matching (NDS-OM) platform. All banks and primary dealers (PD) of government securities are existing members of the RBI Scheme NDS-OM, and we as individual investors too can buy and sell bonds through them. Please Note: The government securities are held in terms of subsidiary general ledger (SGL) accounts. Once the banks or PDs [C] _____ the order, the government would clear the order and will convert the SGL to the accounts Demat form and transfers the funds to the Demat account itself. [D] *There is a certain advantage of buying this scheme. Others dealers cannot*

trade on your behalf. This is because they are not registered under NDS-OM. The other advantage is for long-term investors and specifically for retired people. Senior Citizens who invest for long-term say for 20 to 30 years get a direct 8% interest on their invested money, which is [E] _____ higher than most debt instruments. Apart from saving, one can also get tax benefits by investing in government securities. Since the market is volatile, people looking for a safe form of a transaction can start investing in mutual funds. Before investing research and read every minute details about G-Securities.

7. **Which of the following fits well into the blank space created in [A] in the above passage?**

- A. but risk-taking is essential in today's era
- B. but some risks must be taken in today's time
- C. but some risks cannot be avoided in today's time
- (a) All A, B & C (b) Only A & B (c) Only C & A
- (d) None (e) Only B

8. **Who, on the basis of the passage, cannot buy bonds?**

- a) Not every individual but every entity can buy.
- b) Government job holders are allowed but self-employed.
- c) Both an individual investor and an entity are not permitted when involved in money laundering.
- d) Only industrialist or banks can invest in government securities.
- e) All are incorrect.

9. **Which of the following, on the basis of the passage, is/are incorrect?**

- a) Only industrialists or individuals having Demat account can invest in government securities.
- b) Government stocks or bonds are generally not available at the stock market.
- c) In order to buy a government bond, an application form in a nearby bank or post office has to be filled up.
- d) To process request for a government bond, a minimum time period would be required, after which one will receive a bond certificate in your name.
- e) All are correct.

10. **Which of the following given as options can fit well into the blank created in [B] in the above passage?**

- (a) thereby (b) therein (c) wherein
- (d) whereby (e) whereas

11. **Which of the following, on the basis of the passage, is/are correct about NDS-OM?**

- A. It was introduced by the RBI aiming at allowing small term investors as individuals to buy government securities.
- B. All banks and primary dealers of government securities are small members of the RBI Scheme NDS-OM.
- C. Individual investors too can buy and sell bonds through members of the scheme.
- (a) All A, B & C (b) Only B (c) None
- (d) Only B & C (e) Only C & A

12. **Which of the following words given in the option should come at the place marked as [C] in the above passage to make it grammatically correct and meaningful. Also, the word should fill in the blanks given in the two sentences below to make them contextually correct and meaningful.**

- I. Numbers, and that passages may with impunity be written for thirty-two violins which no single player can _____ clearly.
- II. Governors of districts, were ordered to try summarily and _____ every turbulent person within their jurisdictions.

- (a) execute (b) carry out (c) accomplish
(d) effect (e) complete
13. **Which of the following sentences given in [D] in the above passage contains an error in it? If all the sentences are correct as they are your answer will be (e) i.e. All are correct.**
- a) There is a certain advantage of buying this scheme.
b) Others dealers cannot trade on your behalf.
c) This is because they are not registered under NDS-OM.
d) The other advantage is for long-term investors and specifically for retired people.
e) All are correct.
14. **Which of the following words given in the option should come at the place marked as [E] in the above passage to make it grammatically correct and meaningful. Also, the word should fill in the blanks given in the two sentences below to make them contextually correct and meaningful.**
- I. My earliest distinct recollection of my father is making my _____ through great drifts of newspapers to his side and finding him alone, holding a sheet of paper before his face.
II. All scientific material from the past is making its _____ online.
- (a) bit (b) way (c) little
(d) much (e) All are correct
15. **Which of the following sentences contains an error in it? If all the sentences are correct as they are your answer will be (e) i.e. All are correct.**
- a) Mastercard has started deleting transactional data of Indian consumers from United States (US)-based servers.
b) It has begun saving the same in India, from this month.
c) It expects to complete the de-duplication exercise by the end of this year.
d) The government of India has come up with this resolution bearing hard at Companies like Mastercard.
e) All are correct.
16. **Which of the following words given in the option should come at the place marked as blank in the below paragraph to make it grammatically correct and meaningful. Also, the word should fill in the blanks given in the two sentences below to make them contextually correct and meaningful.**
- The moves comes in the backdrop of the Reserve Bank of India (RBI) asking such payment technology firms to comply with data localisation norms which requires them to store transactions data of Indian customers within the boundaries of India.
- I. Settled into a/n _____ of woody hills, was the little log cabin.
II. And the Ouray County scenery, regardless of the season, always provided a spectacular _____ to any enterprise.
- (a) base (b) backdrop (c) backgrounds
(d) cornerstone (e) All are correct
17. **Which of the following sentences contains an error in it? If all the sentences are correct as they are your answer will be (e) i.e. All are correct.**
- a) From October 2018, the data has been residing in India, that is step one.
b) The point of challenge is data to be only in India because it is not about putting just few servers here.
c) Mastercard has been in discussion with the RBI and there is complete commitment to comply with the requirement of a regulator.
d) This is a very positive development Mastercard is already in an execution mode.
e) All are correct.
18. **Which of the following given as options can fit well into the blank created in the sentence below?**
- The first phase has started from May 5, wherein certain components of transaction of data such as tokenisation will be available only in India. There are also other steps that Mastercard is _____ such as authorisation of transaction.
- (a) complying with (b) abiding by (c) conforming to
(d) observing (e) All are correct
19. **Rearrange the following into a coherent paragraph.**
- A. Here, it is able to do this over the course of next few months.
B. By the end of December it would have everything to be residing in India.
C. Token vaults and the likes will be built in India.
D. It will be part of company's bigger story.
E. All this will be decisive from a transaction data point.
- (a) ABCDE (b) ADCBE (c) CDABE
(d) BEADC (e) BEACD
20. **Which of the following sentences contains an error in it? If all the sentences are correct as they are your answer will be (e) i.e. All are correct.**
- a) In 2020 and early 2021, Mastercard planned is to create a global technology node in India.
b) After which even processing will be happening in India.
c) It will actually help it to get a full on-soil domestic transactions processing centre and services hub that it is planning to do in a two year horizon.
d) And the work for these has already started.
e) All are correct.
21. **Which of the following phrasal verbs can best fit into the blank space created in the following paragraph?**
- Mastercard has committed another \$1 billion investment for Indian market for five years to 2024. This comes after an investment of similar amount for five years during 2014 to 2019. Of the planned investment, the US-headquartered company will _____ an excess of \$300 million to make India a global technology node.
- (a) chip in (b) chip at (c) step in
(d) put up with (e) get around
22. **Which of the following sentences contains an error in it? If all the sentences are correct as they are your answer will be (e) i.e. All are correct.**
- A. It is a global network and all transactions traverse through a global network where the technology centres are in US.
B. Now, India is going to become first country outside of the United States which will have a global technology node.
C. Here, all its processing services, authentication services, tokenisation, all other services that rides around what it calls the core transaction is going to be having an India presence.
- (a) All A, B & C (b) Only A & B (c) Only C & A
(d) None (e) Only B

Directions (23-30): In the passage given below there are blanks which are to be filled with the options given below.

Find out the appropriate group of words in each case which can most suitably complete the sentence without altering the meaning of the statement.

Defying sceptics who warned that it would turn out to be a millstone around banks' necks, the NDA's Pradhan Mantri Jan Dhan Yojana (PMJDY) [23] _____ its financial inclusion objectives without placing undue burden on bank bottomlines. The aggregate deposits in the PMJDY accounts are currently nudging ₹1 lakh crore, [24] _____ the ₹10,500 crore in the first phase of the scheme in January 2015. After witnessing a sharp spike and then a moderation in the three months immediately following the note ban in 2016, deposit flows into JDY has settled down to a brisk 25 per cent growth rate in the last two financial years. Though they still make up less than 1 per cent of banks' deposit base, their sustained growth in a year when deposit flows were hard to come by, [25] _____ CASA (Current Account Savings Accounts) balances. Key banks that this paper spoke to also noted that with the average balance in these accounts topping ₹2,000, servicing costs are no longer a big worry. The PMJDY has delivered financial inclusion on three counts. One, it has contributed to financialisation of savings by giving [26] _____ to a safe investment product. In the last four years, deposits in these accounts have expanded ten-fold even as the number of account holders is up only three-fold, showing that existing depositors in JDY regularly top up their balances. Two, with 13.5 crore beneficiaries enrolling for the low-cost accident insurance cover and 5.5 crore for the life cover, the account is giving [27] _____ to other financial products. Three, with 27.7 crore account holders now armed with Rupay debit cards, their transition to electronic payments has gotten a leg-up too. But now that JDY deposit flows are shoring up banks' CASA, the Centre must nudge them to offer much-needed loan products to these account holders. Allowing them to build up a credit and transaction history in the banking system is [28] _____ from the grip of usurious money lenders who extract a heavy price on their finances when emergencies strike. Using a dashboard approach to track the value and number of overdrafts sanctioned on the PMJDY portal would be a good way to achieve this.

The Centre and the RBI also need to make sure that these first-time adopters are treated well at bank branches, know the [29] _____ and are aware of, and protected from, the consequences of fraud or misuse of their accounts. The sharp spike in the JDY account balances during the note ban months was a red flag on this score. Rather than persisting with account opening or deposit targets for banks on JDY, regulators must now [30] _____ to make sure that JDY holders are aware of their rights and don't fall prey to benami holders or money-launderers seeking to exploit their banking access.

23. **Which of the following fits well into the blank created in the above passage?**
- seems to delivering well for
 - seems to be delivering well on
 - seems to be delivered well on
 - seems to be delivering well for
 - All are correct
24. **Which of the following fits well into the blank created in the above passage?**
- having grown ten-fold from

- having been grown ten-fold by
 - having growing ten-fold from
 - having had grown ten-fold by
 - All are correct
25. **Which of the following fits well into the blank created in the above passage?**
- has helped to shore up banks'
 - has helped increase banks'
 - has helped in improving banks'
 - has helped increase banks'
 - All are correct
26. **Which of the following fits well into the blank created in the above passage?**
- lowered income households accessibility
 - lower income households access
 - lowering income house-holdings accessible
 - lower income households assess
 - All are correct.
27. **Which of the following fits well into the blank created in the above passage?**
- disadvantageous folks a look-in
 - disadvantaged folks a look-in
 - disadvantaged folks a lookalike
 - disadvantage folks a look-in
 - all are correct
28. **Which of the following fits well into the blank created in the above passage?**
- very important to wean them away
 - perilous to wean them off
 - condemnatory to wean them away
 - deprecatory to wean them off
 - All are correct
29. **Which of the following fits well into the blank created in the above passage?**
- grievance redressal mechanisms
 - grief remedial dispensations
 - grieve redressing mechanisms
 - grievance recuperation systems
 - All are correct
30. **Which of the following fits well into the blank created in the above passage?**
- ratchet up their education efforts
 - steadily increase their education efforts
 - ratchet up their education determined attempts
 - gradually improve their education endeavour
 - All are correct.