

RBI Grade B Previous Year Question Paper 2016

English Language (Questions & Answers)

Directions Q. (1 - 7): In the given passage, there are blanks, each of which has been numbered. Against each, five words are suggested, one of which fits the blank appropriately.

We all have a ____ (1) ____ in the infrastructure surrounding us-the roads, buildings, power lines and telephone networks that we ____ (2) ____ on daily. How well they are built and operated is ____ (3) ____ to economic growth and is a key arbiter of an economy's competitiveness- and yet, virtually every economy faces an array of infrastructure challenges. Just a few examples illustrate some of the pressing issues. South Africa's power distribution network has an estimated maintenance backlog of \$4 billion- equivalent to half of the country's total investment in electronic power generation and distribution in 2011. The U.S. Department of Transportation estimates that 15% of the country's roads are in an unacceptable condition and says that road congestion costs the US an estimated \$100 billion per year. Just to keep ____ (4) ____ with anticipated global GDP growth, the world needs to spend \$57 trillion, or on average \$3.2 trillion a year, on infrastructure over the next 18 years. That is more than the entire worldwide stock of infrastructure on the ground today-and nearly 60% more than the world has invested over the past 18 years. Tackling maintenance backlogs, future-proofing infrastructure to cope with climate change and ____ (5) ____ development goals such as access to clean water and all-weather roads to transport goods to markets would cost a great deal. The bill for all of that looks prohibitive at a time when many governments are highly indebted and capital is tight. A focus on both, the huge need for additional investment and potential difficulties in financing it, ____ (6) ____ the debate Pessimism rules, but it needn't be that way. There are ways of cutting the bill down to size and dealing with the challenge. The answer ____ (7) ____ in improving the way we plan, build and operate infrastructure- in other words, we need to boost its productivity.

Q. (1)

1. Stake
2. Interest
3. Compromise
4. Decision
5. Subsidy

Answer: 1 (We all have a **stake** in the infrastructure)

Q. (2)

1. Use
2. Rely
3. Confide
4. Commute
5. Charge

Answer: 2 (We all have a stake in the infrastructure surrounding us-the roads, buildings, power lines and telephone networks that we **rely** on daily)

Q. (3)

1. Close
2. Deciding
3. Trivial
4. Crucial
5. Insistent

Answer: 4 (How well they are built and operated is **crucial** to economic growth and is a key arbiter of an economy's competitiveness- and yet, virtually every economy faces an array of infrastructure challenges)

Q. (4)

1. Gait
2. Stride
3. Walk
4. Tread
5. pace

Answer: 5 (Just to keep **pace** with anticipated global GDP growth, the world needs to spend \$57 trillion, or on average \$3.2 trillion a year, on infrastructure over the next 18 years)

Q. (5)

1. Competing
2. Meeting
3. Succeeding
4. Engaging
5. Agreeing

Answer: 2 (Tackling maintenance backlogs, future-proofing infrastructure to cope with climate change and **meeting** development goals such as access to clean water and all-weather roads to transport goods to markets would cost a great deal)

Q. (6)

1. Convey
2. Subject
3. Dominates
4. Command
5. Prompt

Answer: 3 (A focus on both, the huge need for additional investment and potential difficulties in financing it, **dominates** the debate Pessimism rules, but it needn't be that way)

Q. (7)

1. Reclines
2. Lay
3. Expects
4. Lies
5. Belongs

Answer: 4 (The answer **lies** in improving the way we plan, build and operate infrastructure- in other words, we need to boost its productivity)

Directions Q. (8 - 10): Select the phrase/connector from the given three options which can be used to form a single sentence from the two sentences given below, implying the same meaning expressed in the statement sentences.

Q. (8) Higher prices of cereals, rice, fruits and pulses led to an increase in food inflation. Non – food inflation was driven mainly by fibres and oilseeds.

- A. While higher prices of cereals
- B. Despite the higher price of rice, fruits and pulses
- C. Non- food inflation was always driven by

- 1. Both A and B
- 2. Only B
- 3. Both B and C
- 4. Only A
- 5. None of these

Answer: 4

Q. (9) The entrepreneurship ethos in India has come a long way and has made rapid strides in recent years. It now ranks in the top five start-up communities in the world.

- A. India ranks fifth among the start-up communities in the world
- B. he country has made rapid strides in recent years because
- C. Moreover, the entrepreneurship ethos in India has come a long way

- 1. Both A and B
- 2. Only B
- 3. Only C
- 4. Only A
- 5. None of these

Answer: 2

Q. (10) There are enough dirges being sung for public sector banks, but strangely the performance of their stocks does not reflect this. Five out of the seven public sector banks made losses and the profit – makers showed a worse bad loans ratio.

- A. On account of the fact that five out of seven public sector banks made losses
- B. The performance of public sector banks does not reflect
- C. Although dirges are being sung for public sector banks

- 1. Both A and B
- 2. Only B
- 3. Only C
- 4. Only A
- 5. None of these

Answer: 4

Directions Q. (11 - 15): Each question given below has two blanks, each blank indicates that something has been omitted. Choose the word that best fits in the meaning of the sentence as a whole.

Q. (11) Most auto-rickshaw drivers in the city _____ to ply for short distances since doing so does not _____ them much.

- 1. agree, profit
- 2. Refuse, earn
- 3. disagree, revenue
- 4. accept, affects
- 5. ask, comfort

Answer: 2 (Most auto-rickshaw drivers in the city **refuse** to ply for short distances since doing so does not **earn** them much)

Q. (12) Though surprising, it is _____ that Rupesh has not got the job by _____ of his parents' political connections.

1. veritable, inspiration
2. veracious, influence
3. paradoxical, intent
4. true, virtue
5. alleged, power

Answer: 4 (Though surprising, it is **true** that Rupesh has not got the job by **virtue** of his parents' political connections)

Q. (13) In order to avoid _____ due to car parking, appropriate signage and painted boundary strips at parking locations have been _____ in the building premises.

1. problem, install
2. traffic, felicitated
3. congestion, provided
4. accidents, fix
5. sleeping, used

Answer: 3 (In order to avoid **congestion** due to car parking, appropriate signage and painted boundary strips at parking locations have been **provided** in the building premises)

Q. (14) During power cuts, one can never get _____ to the customer service executive to _____ a complaint regarding the same.

1. across, lodge
2. through, write
3. over, dictate
4. along, create
5. off, file

Answer: 1 (During power cuts, one can never get **across** to the customer service executive to **lodge** a complaint regarding the same)

Q. (15) In the olden days, shopkeepers used to dupe the _____ customers by attaching removable magnetic weights _____ their weighing instruments.

1. cheating, for
2. strict, with
3. docile, across
4. innocent, under
5. lovely, from

Answer: 4 (In the olden days, shopkeepers used to dupe the **innocent** customers by attaching removable magnetic weights **under** their weighing instruments)

Directions Q. (16 - 20): Read the following passage carefully and answer the questions.

The term "shadow bank" was coined in 2007 to describe risky off-balance-sheet vehicles hatched by banks to sell loans repackaged as bonds. Today, the term is used more loosely to cover all financial intermediaries that perform the bank-like activity but are not regulated as one. These include mobile payment systems, pawnshops, peer-to-peer lending websites, hedge funds and bond-trading platforms set up by technology firms. Among the biggest are asset management companies. In 2013 investment funds make such loans raised a whopping \$97 billion worldwide. The Financial Stability Board, an international watchdog estimates that globally, the informal lending sector serviced assets worth \$80 trillion in 2014 up from \$26 trillion more than a decade earlier. Shadow banks have flourished in part because the traditional ones, battered by losses incurred during the financial slump, are under pressure. Tighter capital requirements and fear of heavy penalties have kept them grounded. In China, where banks are discouraged from lending to certain industries and are mandated to offer frustratingly low-interest rates on deposits, non-banks fill the gap. About two-thirds of all lending in the country by shadow banks are in fact 'bank loans in disguise'. Critics worry that unlike banks, which lend against deposits from customers, nonbanks loan money using investor's cash and rotating lines of credit. This is especially risky when skittish investors who bet on short term gains withdraw their money at once. But non-bank financing need not always be a bad thing. It offers an additional source of credit to

individuals and businesses in countries where formal banking is either expensive or absent. It also takes some burden off banks which have big 'maturity mismatches' (the difference between the amount of time a depositor's money is parked in the bank minus the time that it is loaned out). And belatedly, regulators, too, are waking up to the new financial order of shadow banking. Banks must now declare structured investment vehicles on their balance sheets. Authorities are imposing leverage limits on various forms of shadow banks in America and Europe. It is a small start to rein in an industry that accounts for a quarter of the global financial system.

Q. (16) Which of the following can be said about banking regulators?

1. These have been innovative in helping economies recover from the 2008 crisis.
2. Their approach to the regulation of shadow banks is unnecessarily stringent.
3. These have washed their hands off and warned people against shadow banks.
4. These have been slow to respond to the growth of shadow banking.
5. None of the given statements can be said about banking regulators.

Answer: 4 (Banking regulators have been slow to respond to the growth of shadow banking)

Q. (17) Which of the following is the central theme of the passage?

1. The global economy is headed for a financial collapse given the state of China's economy.
2. Shadow banking, an indispensable part of the global financial system, is unnecessarily perceived as risky.
3. There is tremendous upheaval in the banking sector with only state-owned banks safe and sound.
4. Shadow banks which can be useful are a high-risk alternative to traditional banks and need regulation.
5. Traditional banks are the safest given the risk the financial system currently faces.

Answer: 4 (Shadow banks which can be useful are a high-risk alternative to traditional banks and need regulation)

Q. (18) Which of the following has/have impacted the growth of shadow banks?

- A. Faulty audits of these institutions by the Financial Stability Board.
- B. The state of traditional banks post the financial crisis.
- C. Need for credit which traditional banks are unable to meet.

- 1. Only A and B
- 2. Only B and C
- 3. Only B
- 4. All A, B and C
- 5. Only A and C

Answer: 2 (The state of traditional banks post the financial crisis and unable to meet the need for credit have impacted the growth of shadow banks)

Q. (19) Which of the following can be used to replace the phrase 'Among the biggest are asset management companies'?

- 1. Asset management companies are responsible for over half the credit in America.
- 2. The financial crisis hurt asset management companies in China the most.
- 3. Asset management companies occupy the largest share of shadow banking firms.
- 4. With high rates of interest asset management companies are showing the highest profits.
- 5. None of the given statements.

Answer: 3 (Asset management companies occupy the largest share of shadow banking firms)

Q. (20) Which of the following aptly describes the tone of the passage?

- 1. Obsequious
- 2. Reckless
- 3. Poignant
- 4. Acrimonious
- 5. None of these

Answer: 5

Directions Q. (21 - 25): Read each sentence to find out whether there is any grammatical or idiomatic error in it. The error, if any, will be in one part of the sentence. If there is 'No error', mark the answer **(5)**. (Ignore errors of punctuation, if any).

Q. (21) One way of dealing with such a **(1)** / situation is by issuing a legal notice **(2)** / to the accused, when the other is **(3)** / to settle the matter amicably. **(4)** / No error **(5)**

1. One way of dealing with such a
2. situation is by issuing a legal notice
3. to the accused, when the other is
4. to settle the matter amicably
5. No error

Answer: 3 (One way of dealing with such a situation is by issuing a legal notice to the accused, **while** the other is to settle the matter amicably.)

Q. (22) The shrewd manager left Samarth **(1)** / with no choice however to resign from **(2)** / the post by transferring him to **(3)** / an entirely remote and hostile location. **(4)** / No error **(5)**

1. The shrewd manager left Samarth
2. with no choice however to resign from
3. the post by transferring him to
4. an entirely remote and hostile location
5. No error

Answer: 2 (The shrewd manager left Samarth with no choice **whatsoever** to resign from the post by transferring him to an entirely remote and hostile location.)

Q. (23) It is ironic that the management **(1)** / of the organisation refuses to adhere **(2)** / to the same standards of corporate governance **(3)** / that it requires of companies deals with it. **(4)** / No error **(5)**

1. It is ironic that the management
2. of the organisation refuses to adhere
3. to the same standards of corporate governance
4. that it requires of companies deals with it

5. No error

Answer: 4 (It is ironic that the management of the organisation refuses to adhere to the same standards of corporate governance that it requires of companies **dealing** with it.)

Q. (24) With so lowly call rates, the new **(1)** / telecom service company is definitely going **(2)** / to give the current market leaders a **(3)** / run for their money and market share. **(4)** / No error **(5)**

1. With so lowly call rates, the new
2. telecom service company is definitely going
3. to give the current market leaders a
4. run for their money and market share
5. No error

Answer: 1 (With so **low** call rates, the new telecom service company is definitely going to give the current market leaders a run for their money and market share.)

Q. (25) While retailers may well be on their **(1)** / way to experiment with the change in policy **(2)** / for the next few months, consumers may also take **(3)** / time to get used to late night shopping. **(4)** / No error **(5)**

1. While retailers may well be on their
2. way to experiment with the change in policy
3. for the next few months, consumers may also take
4. time to get used to late night shopping
5. No error

Answer: 2 (While retailers may well be on their way to **experimenting** with the change in policy for the next few months, consumers may also take time to get used to late-night shopping.)

Directions Q. (26 - 30): Read the following passage carefully and answer the questions.

These are difficult times for America's free-traders. There is anger at 'globalism'. Even Americans who were in favour of the Trans-Pacific Partnership (TPP)-an ambitious new agreement between 12 Pacific-rim-countries- have turned against it. This may be linked to the globalisation of supply chains. Production of traded goods has become 'unbundled'. Firms once tended to design new gadgets and order the supplies needed to build them in a single factory or city. In the past few decades, more efficient global shipping and improvements in communications allow firms to spread production across far-flung locations to design phone in America, source parts from several Asian economies and assemble it in China. The share of parts and components in trade rose from 22% to 28% between 1980 and 2000. In 2005, trade in 'intermediate inputs' accounted for an estimated 56% of trade in goods and 73% in services across rich countries. This dispersion of production chains contributed to a dramatic acceleration in global trade growth. It also changed the way many workers view trade. As production has spread around the world, countries have specialised in different segments of the supply chain. While those, such as China, with lots of low-cost labour, focused on manufacturing and assembly, more advanced economies followed a different path. Cities like New York and San Francisco enjoyed an initial advantage in the most lucrative bits of the Modern supply chain: research and development, engineering and finance. As a result, growth in supply-chain trade has been a boon for the powerful and profitable firms with headquarters in those cities, and for the highly skilled, well compensated workers they employ. America's lot in this new world is, on the whole, a happy one. Many countries envy its fortunate position as a hub for innovative cities. Most studies of the potential effects of TPP conclude that the deal would raise American output by a small but meaningful amount: just under a percentage point of GDP, perhaps over the next 15 years. But the obstacles confronting new trade deals are formidable. More generous redistribution, perhaps through an expanded programme of trade-adjustment assistance, could help neutralise some opposition. But discomfort with TPP is mostly rooted in a mistrust of the elite. Voters who are sceptical of the value of TPP will be unlikely to change their stripes without some demonstration that pacts of its kind benefit the many rather than just the few.

Q. (26) Which of the following is true in context of the passage?

1. Global public opinion is against America's trade policies.
2. In America, wages of low skilled workers have risen tremendously over the last decade.
3. America's GDP growth has fallen in the past few years.
4. American firms are no longer a leader in technology.
5. None of these

Answer: 5

Q. (27) Which of the following best describes America's view of TPP?

1. Americans are unequivocally in favour of the TPP as it will benefit them the most.
2. The TPP is detrimental as it has fuelled long-term conflicts between rich and developing nations.
3. The TPP has elevated mass unemployment and is resented by all Americans.
4. The TPP has strengthened America's relationship with Asia and Europe.
5. Americans are wary of the TPP as its benefits are indeterminate.

Answer: 5 (Americans are wary of the TPP as its benefits are indeterminate)

Q. (28) What do the statistics in the passage convey?

1. Developed countries are benefitting most from trade agreements.
2. The TPP has benefitted China and America the most.
3. China's dominance in manufacturing is waning.
4. Global trade has grown explosively.
5. Contrary to political projections, trade-in Asian has not risen dramatically.

Answer: 4 (The statistics in the passage convey that the global trade has grown explosively.)

Q. (29) Which of the following is the author's view of free trade?

1. Uniform laws and regulations across developing countries have vastly benefitted free trade.
2. There have been tremendous shifts in free trade but its benefits need to be more equitably distributed.
3. Protecting national interest at the cost of free trade is the need of the hour.
4. It is a service to reduce the gap between the haves and the have-nots.
5. None of the options illustrates the author's view -of free trade.

Answer: 2 (The author's view of free trade is that there have been tremendous shifts in free trade but its benefits need to be more equitably distributed.)

Q. (30) According to the passage, which of the following is/are (an) effects of 'unbundling'?

- A. Unfair and exploitative working conditions in developing countries.
- B. Drop in quality standards of manufactured goods.
- C. Unemployment for some sections of the workforce in developed countries.

- 1. Only A and B
- 2. Only B and C
- 3. Only C
- 4. All A, B and C
- 5. Only A and C

Answer: 3 (According to the passage, unemployment for some sections of the workforce in developed countries is an effect of 'unbundling')