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Comprehension Test Quiz 58

Directions (Q. 1 to 10) : Read the following passage and answer the questions given below it in the context of the passage. Some words in the passage are printed in bold to help you locate them while answering some of the questions.

Over the past thousands of years, we have generated an enormous amount of wealth. Living standards have improved dramatically. It is clear that the key driver behind all of this wealth is technological innovation that started with the ability to use tools.

There are three board steps in wealth creation : invent a new method, perfect it, apply it. Indian businesses and industry in general have generated most of their wealth from the last step, a little from the second and almost nothing from the first. We tend to go backwards and end up with severely limited opportunities compared with those who start from the first step. That is a fundamental difference between Indian businesses and businesses of the highly developed world. Many of the things that define modern life were invented by Europeans and Americans. They created wealth not only from the first step, they also established first claim on the second and third steps.

Unsurprisingly, then, their share dominates the global wealth. The Chinese, Japanese and Koreans excelled in perfecting production techniques; as a result they have managed to corner a substantial chunk of the wealth.

Once things like roads, electricity, televisions, cars, malls, toasters, soaps and so on have been invented and their use or implementation defined, it is possible to create wealth simply by making more of them and selling them to the population neglected by the inventors and the improvisers. That has largely been the market for Indian companies. But they have just not focused on innovation. In terms of valuation, India's largest companies are in the region of about \$40-50 billion depending upon the stock market.

Those companies took generations to get there, and not to forget, many of them were generously helped by what is euphemistically called crony capitalism. On the other hand, a 17-year-old student in the US named Mark Zuckerberg built a company in 10 years that had an IPO value at \$100 billion! (Facebook, in spite of a lower valuation now, is still bigger than Reliance or DLF.) Consider Google, founded barely 15 years ago by two students. It now stands at a whopping \$300 billion. Then there are more mature companies such as Apple that are worth over \$400 billion. These achievements are entirely to the credit of the founders.

Many Indian 'experts' in business and finance tend to dismiss these companies as vapourware, paper money, mere websites, luck or even as companies that do no real work. However, if we examine our daily living standards, it would be hard to find any contribution from Indian companies.

Virtually everything around us, from the internet to lighting to healthcare, was invented by the developed countries. If they had not been, we would have still been living in the Stone Age; on the other hand, if Indian industry had not been there, no one would have noticed.

While this comparison may seem odious, it highlights the one-way relationship as far as innovation is concerned.

Government at various levels periodically exhorts scientists and engineers to push the boundaries. But focusing on technologists is like putting the cart before the horse. Innovation is not the domain of technologists. They are one link in the chain. US companies such as Intel, IBM and Google routinely outsource the development of their latest technologies to Indian engineers; yet these cannot be called Indian innovations. In the same way if an Indian company were to innovate and if the work related to technology were outsourced to American engineers, that would still be Indian innovation.

The most crucial element of innovation is building a business case, funding it and commercialising it. That is the domain of businessmen and finance experts; it is also the weakest link in India. There is little knowledge of how to assess the risks and rewards of innovation.

Questions:

1. How have Indian businesses generated most of their wealth ?

- A. By selling their products at low margin
- B. By applying new methods
- C. By inventing new methods
- D. By setting up industries in foreign countries
- E. All the above

2. What is the basic difference between Indian businesses and businesses of the highly developed world ?

1. Indian businesses depend mostly on following the methods invented by the highly developed world whereas the highly developed world believes in inventing a new method.

2. Indian businesses are mostly agriculture-based whereas businesses of the highly developed world depend mostly on technological innovation.

3. Indian businesses are still in a primitive stage whereas businesses of the highly developed world are in an advanced stage.

- A. Only 1 B. Only 2 C. Only 3 D. Only 1 and 3 E. Only 1 and 2

3. Find the incorrect statement on the basis of the given passage.

A. The Chinese, the Japanese and the Koreans have excelled in perfecting production techniques.

B. A lot of things used in modern life were invented by Americans and Europeans.

- C. Europeans and Americans not only created wealth by inventing new methods but also established claim on perfecting and applying these methods.
- D. Despite technical excellence, China, Japan and Korea have failed to accumulate a substantial chunk of the wealth.
- E. Europeans and Americans share a major part of the global wealth.

4. Which of the following is not based on the facts mentioned in the given passage ?

- A. The net worth of India's largest companies is not more than USD 45 billion.
- B. In monetary terms Facebook is bigger than DLF or Reliance.
- C. As per the latest valuation, Apple is smaller than Google.
- D. Had the developed countries not invented what they have, we would have still been living in the Stone Age.
- E. None of these

5. What is the main intention of the writer behind writing the given passage ?

- A. To show that Indian industries are in a developed stage
- B. To establish that India's businesses are based on applications, not on innovations
- C. To prove that we don't have brain to innovate anything
- D. To establish that only foreign companies know how to commercialise innovations
- E. To prove that America and European countries together are wealthier than all other countries of the world

6. Choose the word which is most nearly the **SAME** in meaning as the word printed in bold as used in the passage.

Chunk

A. record B. package C. heap D. part E. size

7. Choose the word which is most nearly the **SAME** in meaning as the word printed in bold as used in the passage.

Exhorts

A. discharges B. advises C. orders D. rebukes E. overlooks

8. Choose the word which is most nearly the **SAME** in meaning as the word printed in bold as used in the passage.

Barely

A. lastly B. hardly C. strongly D. frequently E. openly

9. Choose the word which is most **OPPOSITE** in meaning of the word **dejectedly** as used in the passage.

Crony

A. friendly B. hypothetical C. helping D. real E. rival

10. Choose the word which is most **OPPOSITE** in meaning of the word **dejectedly** as used in the passage.

Odious

A. dull B. natural C. attractive D. pungent E. repulsive

Correct Answers:

1	2	3	4	5	6	7	8	9	10
B	D	D	C	B	D	B	B	E	C

Explanations:

1.

... There are three broad steps in wealth creation: invent a new method, perfect it, apply it. Indian businesses and industry in general have generated most of their wealth from the last step, ...

We can clearly infer from the 1st sentence of the 2nd paragraph that India businesses so far have kept their focus on applying new methods in stead of inventing ones.

Option B hence is the correct answer.

2.

Statement 1 can easily be inferred from the 1st sentence of the 2nd paragraph of the passage and Statement 3 can also be inferred taking the theme of the whole passage into consideration.

Option D hence is the correct answer.

3.

... The Chinese, Japanese and Koreans excelled in perfecting production techniques; as a result they have managed to corner a substantial chunk of the wealth.

The above statement is the 2nd sentence of the 3rd paragraph of the passage and it clearly states opposite of what's stated in option D.

Option D hence is the correct answer.

4.

... Google, founded barely 15 years ago by two students. It now stands at a whopping \$300 billion. Then there are more mature companies such as Apple that is worth over \$400 billion. ...

The above statement which is the last of sentence of the 5th paragraph of the passage clearly states opposite of what's stated in option C.

Option C hence is the correct answer.

5.

Taking the theme of the passage into consideration, the writer's main intention behind writing the given passage would be to establish that India's businesses are mainly based on applications, not of innovations.

Option B hence is the correct answer.

6.

... as a result they have managed to corner a substantial chunk of the wealth. ...

Chunk (noun):

A chunk of something is a large amount or large part of it.

Ex. The company owns a chunk of farmland near the Airport.

Synonym: Part

Option D hence is the correct answer.

7.

Government at various levels periodically exhorts scientists and engineers to push the boundaries.

Exhort (verb):



If you exhort someone to do something, you try hard to persuade or encourage them to do it.

Ex. The PM exhorted his listeners to turn away from violence...

Ex. He exhorted his companions, 'Try to accomplish your aim with diligence'.

Synonym: urge, advise

Option B hence is the correct answer.

8.

... Google, founded barely 15 years ago ...

Barely (adverb):

You use barely to say that something is only just true or only just the case.

Ex. Rohan after that accident could barely remember the ride to the hospital.

Ex. It was 46 degrees and the air conditioning barely cooled the room.

Ex. His voice was barely audible.

Synonym: scarcely, hardly, etc.

Option B hence is the correct answer.

9.

... Those companies took generations to get there, and not to forget, many of them were generously helped by what is euphemistically called crony capitalism.

Crony capitalism is a term describing an economy in which success in business depends on close relationships between business people and government officials. It may be exhibited by favoritism in the distribution of legal permits, government grants, special tax breaks, or other forms of state interventionism.

Opposite: Genuine capitalism

Option E hence is the correct answer.

10.

... While this comparison may seem odious, it highlights the one-way relationship as far as innovation is concerned. ...

Odious (adjective):

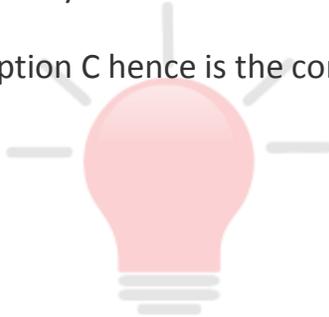
If you describe people or things as odious, you think that they are extremely unpleasant.

Ex. KRK is certainly the most odious man I have ever seen.

Synonym: obnoxious

Antonym: Attractive

Option C hence is the correct answer.



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