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# Comprehension Test Question Bank Exams (IBPSPO & SBIPO)

## Comprehension Test Quiz 60

Directions (Q. 1 to 15) : 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.

When wealth came into existence, a moral structure was made around money. The Puritan legacy inhibited luxury and self-indulgence. Thoughtful people spread a practical gospel that emphasized hard work, temperance and frugality and the result was quite remarkable.

The world has been affluent since its founding. But it was, by and large, not corrupted by wealth. For centuries, it remained industrious, ambitious and frugal. Over the past 30 years, much of that has been shredded. The social norms and institutions that encouraged frugality and spending what you earn have been undermined. The institutions that encourage debt and living for the moment have been strengthened. The moral guardians are forever looking for decadence out of movies and reality shows. But the most rampant decadence today is financial decadence, the trampling of decent norms about how to use and harness money.

The deterioration of financial traditions has meant two things. First, it has meant an **explosion** of debt that inhibits social mobility and ruins lives. Second, **the transformation has led to a stark financial polarization**. On one hand, there is what is called an investor class. It has tax-deferred savings plans, as well as an army of financial advisers. On the other hand, there is the lottery class, people with little access to financial planning but plenty of access to payday lenders, credit cards and lottery agents.

The loosening of financial inhibition has meant more options for the well-educated but more temptation and chaos for the most vulnerable. Social norms, the invisible threads that guide behaviour, have deteriorated. Over the past years, people have been more socially conscious about protecting the environment and inhaling

tobacco. They have become less socially conscious about money and debt. The agents of destruction are many and State governments have also played a role. They hawk their lottery products with aggression, which some people call a tax on stupidity. Twenty per cent of the world's population consists of frequent players, spending about \$60 billion a year. Aside from the financial toll, the moral toll is **comprehensive**. Here is the government, the guardian of order, telling people that they don't have to work to build for the future. They can **strike** it rich for nothing.

Payday lenders have also played a role. They seductively offer fast cash-at **absurd** interest rates-to 15 million people every month. Credit card companies have played a role. Instead of targeting the financially astute, who pay off their debts, they have found that they can make money off the young and vulnerable. Fifty-six per cent of students in their final year of college carry four or more credit cards. The nation's leaders have played a role as they have always had an incentive to shove costs for current promises onto the backs of future generations. It has only now become respectable to do so. The market itself has played a role. Software stalwarts built socially useful products to make their fortune. But what message do the salary packages that their top managers get send across the country when they ignore millions of fellow countrymen who suffer from poverty, malnutrition or hunger ? Austerity has become a thing of the past. The list could go on. But there could be some recommendations. First, raise public consciousness about debt the way the anti-smoking activists did with their campaign. Second create institutions that encourage **thrift**. Foundations and religious institutions could issue short-term loans to cut into the payday lender's business. Colleges could reduce credit card advertising on campus. The tax code should tax consumption not income.

But the most important thing is to shift values. The 'wise' made it prestigious to embrace certain middle class virtues. Now it's socially acceptable to undermine those virtues. It is considered normal to play the debt game and imagine that decisions made today will have no consequences in the future.

## Questions:

**1. What does the author mean by the phrase 'the transformation has led to a stark financial polarization' as used in the passage ?**

- A. The deterioration of social norms has benefited only the wealthy and the knowledgeable while the vulnerable class of people has fallen into a debt trap
- B. Since moral inhibitions no longer exist, the debt agents provide loans only to the affluent class thus widening the gap between the rich and the poor
- C. The debt culture is being utilized as a measure to draw money from the wealthy class by credit card companies
- D. Both A and B
- E. None of the above

**2. Which of the following is true in context of the passage ?**

- A. Ever since its existence, money has ruined lives owing to lack of awareness among people regarding its unrestricted usage
- B. Government has taken many initiatives to control the rampant money lending business to protect vulnerable sections of the society
- C. Governments throughout the world have been putting tax on amount of consumption of an individual rather than his/her income
- D. Credit card companies are discreet enough to provide credit cards to only those people who guarantee repaying money in the future
- E. None is true

**3. Which of the following can be the most appropriate title for the given passage ?**

- A. The debt Culture and government initiatives of curtail it
- B. Breaking social barriers-taking the route of financial indulgence
- C. Accumulation of debt-a lesson for the future generations
- D. Effect of 'consumerism' on the world market
- E. Lack of perseverance for saving money in India

**4. Which of the following, according to the author, has/have been responsible for the encouragement of culture of debt in the society lately ?**

- 1. The changing lifestyle which makes it impossible for a common man to sustain himself without debts and loans.
- 2. Breaking down of moral institutions which supported economic prudence.
- 3. Provision for easy availability of loans to every section of the society regardless of their ability to repay these.

A. Only 1    B. Only 2    C. Both 1 and 3    D. Both 2 and 3    E. None of these

**5. The author of the given passage seems to be definitely .....**

- A. Suggesting that the agents of debts be banned from the society
- B. disappointed with easy-lending trend which has taken the vulnerable sections of the society to abyss

- C. in favour of bringing back the financial restrictions once imposed by the society
- D. not supportive of campaigns related to anti-tobacco and saving the environment
- E. None of the above

**6. Why does the author of the given passage seem to be displeased with the software stalwarts ?**

- A. They make fortune out of the products which are barely socially useful
- B. They have been drawing colossal salaries and turn a blind eye towards the needs of fellow countrymen
- C. They are directly responsible for the hunger, malnutrition and poverty among their fellow countrymen
- D. They have promoted the culture of debt among various sections of society
- E. None of the above

**7. Which of the following suggestions have been made by the author in order to check the culture promoting debts ?**

- 1. Putting a ban on the companies providing credit cards indiscriminately.**
- 2. Taking the help of information institutions to limit the business of money lending by payday lenders.**
- 3. Raising public awareness about negative effects of injudicious borrowing of money.**

**4. Taking action against governments which have been allowing lottery in their States.**

A. Both 1 and 3    B. Only 4    C. Both 3 and 4    D. Both 2 and 3    E. None of these

**8. Which of the following statements would weaken the argument made by the author in the given paragraph ?**

A. A newspaper article reported an improvement in the lifestyle to millions of people after loans were made easy to avail to not only the wealthy but to all sections of society

B. A man along with his family was forced to live on streets after he lost all of his life's earning to buy lottery tickets

C. Profit earned from credit card companies has become an essential component in the economy of a growing nation

D. Last year's recession was mainly due to losses incurred by companies offering loans as a large number of their clients turned out to be defaulters

E. None of the above

**9. Which one of the phrases given below the following statement should be placed in the blank space provided so as to make a meaningfully correct sentence in the context of the passage ? ....., many State governments have been encouraging people to invest their money in lottery.**

A. Despite the fact that lottery generates substantial revenue

B. Since it has the potential to ruin lives of millions of people

C. Instead of educating people against risky financial indulgence

- D. Since only one-fifth of the total world's population invests frequently in lottery  
E. None of the above

**10. Choose the word which is most similar in meaning to the word printed in bold as used in the passage.**

**THRIFT**

- A. Compassion    B. Prudence    C. Pleasure    D. Acceptance    E. Desire

**11. Choose the word which is most similar in meaning to the word printed in bold as used in the passage.**

**STRIKE IT**

- A. Smash    B. Reveal    C. Register    D. Assume    E. Become

**12. Choose the word which is most similar in meaning to the word printed in bold as used in the passage.**

**AGGRESSION**

- A. Violence    B. Hostility    C. Offensively    D. Determination    E. Belligerence

**13. Choose the word which is most opposite in meaning to the word printed in bold as used in the passage.**

**EXPLOSION**

- A. Deflation    B. Split    C. Reduction    D. Simplification    E. Alteration

14. Choose the word which is most opposite in meaning to the word printed in bold as used in the passage.

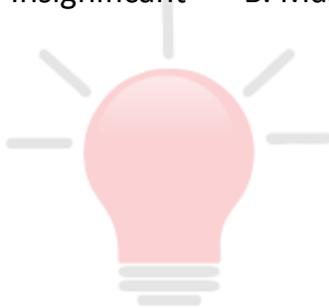
**ABSURD**

A. Expensive    B. Diplomatic    C. Consistent    D. Invariable    E. Reasonable

15. Choose the word which is most opposite in meaning to the word printed in bold as used in the passage.

**COMPREHENSIVE**

A. Insignificant    B. Massive    C. Incomplete    D. Abndant    E. Inappropriate



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**Correct Answers:**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
A	E	B	B	B	B	D	A	C	B	E	B	A	E	A

**Explanations:**

**1.**

... the transformation has led to a stark financial polarization. On one hand, there is what is called an investor class. It has tax-deferred savings plans, as well as an army of financial advisers. On the other hand, there is the lottery class, people with little access to financial planning but plenty of access to payday lenders, credit cards and lottery agents. ...

The writer in 3rd paragraph of the passage clearly seems to state what's given in option A.

Option A hence is the correct answer.

**2.**

None of the given statements is true in the context of the passage.

**3.**

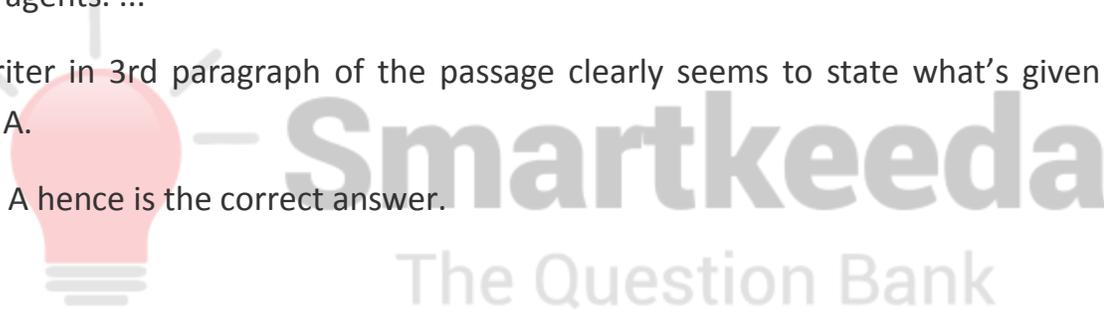
'Breaking social barriers-taking the route of financial indulgence' is the most appropriate title for the passage.

**4.**

... The institutions that encourage debt and living for the moment have been strengthened. ...

Refer to the fifth sentence of the second paragraph. It clearly states what's said in statement 2.

Option B hence is the correct answer.



**5.**

The answer can be easily inferred from the 2nd last paragraph of the passage.

Option B hence is the correct answer.

**6.**

... Software stalwarts built socially useful products to make their fortune. But what message do the salary packages that their top managers get send across the country when they ignore millions of fellow countrymen who suffer from poverty, malnutrition or hunger? ...

From the above piece of writing it's clear that option B holds true.

Option B hence is the correct answer.

**7.**

... But there could be some recommendations. First, raise public consciousness about debt the way the anti-smoking activists did with their campaign. Second create institutions that encourage thrift. Foundations and religious institutions could issue short-term loans to cut into the payday lender's business. Colleges could reduce credit card advertising on campus. ...

The last few sentences of the 2nd last paragraph clearly support what's said in Statement 2 and 3 respectively.

Option D hence is the correct answer.

**8.**

The answer is quite clear and obvious.

**9.**

In the context of the passage statement (C) appropriately fills the blank.

**10.**

In the passage thrift means saving money and spending it carefully. Of the given alternatives, prudence means 'wisdom applied to practice; attention to self-interest'. So, the words prudence and thrift are synonyms.

**11.**

Strike it rich means to become rich suddenly.

**12.**

Aggression means feelings of anger and hatred. Of the given alternatives hostility means acts of war-face, acts of hatred. So, hostility is most similar to it.

**13.**

Here explosion means a sudden and rapid increase in the amount while deflation means reduction of the general level of prices in an economy.

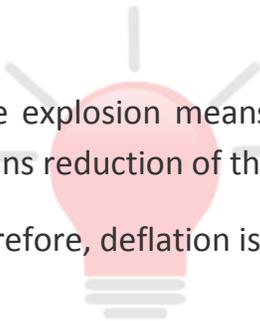
Therefore, deflation is most opposite to explosion in the context of the passage.

**14.**

Here absurd means not logical and sensible. So, reasonable is most opposite in meaning to it.

**15.**

In the passage comprehensive means significant..





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