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Direction: In the following passage, some of the words have been made bold, each of which is preceded by a letter. Find the suitable word from the options given below that could replace the bold word so as to make the paragraph meaningful.

Former RBI Governor Raghuram Rajan's note of caution on the next financial crisis that could be building up needs to be taken in all ___A___ **consideration**. In his note to Parliament's Estimates Committee on bank non-performing assets (NPAs), Mr. Rajan has ___B___ **established** three major sources of potential trouble: Mudra credit, which is basically small-ticket loans granted to micro and small enterprises; ___C___ **contributing** to farmers through Kisan Credit Cards; and contingent liabilities under the Credit Guarantee Scheme for MSMEs, run by the Small Industries Development Bank of India. The disbursement under Mudra loans alone is ₹6.37 lakh crore, which is over 7% of the total outstanding bank credit. These loans have been ___D___ **sanctioned** under the Pradhan Mantri Mudra Yojana, which aims to 'fund the unfunded', and is a ___E___ **signature** scheme of the NDA government. Given that these are small loans up to Rs10 lakh each, with the borrowers mostly from the informal sector, banks have to monitor them very closely. It is ___F___ **debatable** whether banks have the resources and manpower to do this when they are chasing the bigger borrowers for business and, increasingly these days, recoveries. The ___G___ **risk** is that these small-ticket loans will drop under the radar and build into a large credit issue in course of time. The same ___H___ **function** holds true for crop loans made through Kisan Credit Cards. Mr. Rajan's advice on loan waivers has been made by him and others in the past. But the political class has chosen to

turn a ___I___ **deaf** ear to this advice, vitiating the credit culture and creating a moral hazard where farmer-borrowers assume that their loans will ___J___ **intentionally** be waived off. The former RBI Governor has strongly defended the RBI against criticism, often unfair, over its policies on NPA recognition and resolution.

Questions:

A.

- A. Constitution B. Yield C. Seriousness
D. Stability E. No replacement required

B.

- A. Utilized B. Determined C. Flagged
D. Guessed E. No replacement required

C.

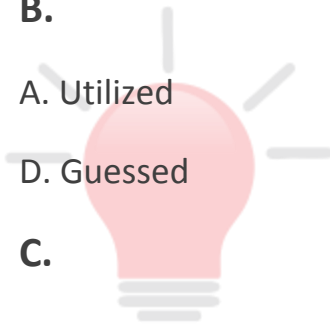
- A. Borrowing B. Lending C. Helping
D. Assisting E. No replacement required

D.

- A. Processed B. Given C. Distributed
D. Disturbed E. No replacement required

E.

- A. Promising B. Loyal C. Trademark
D. Capable E. No replacement required



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F.

A. Detestable

B. Tenable

C. Interesting

D. Surprising

E. No replacement required

G.

A. Proposition

B. Certification

C. Assumption

D. Attention

E. No replacement required

H.

A. Premise

B. Data

C. Information

D. Logic

E. No replacement required

I.

A. Playful

B. Fragmental

C. Judgmental

D. Categorical

E. No replacement required

J.

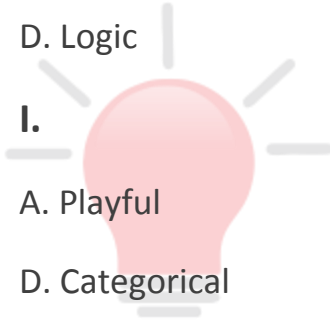
A. Interestingly

B. Tantalizingly

C. Invariably

D. Carefully

E. No replacement required



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Correct answers:

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

Explanations:

1.

According to the given context, it is about the bad assets issue in banks and the future of the banks regarding this problem. Now, the passage talks about the advice of the former RBI governor, Raghuram Rajan, in this regard and his advice regarding the problem. The given word is not correct since the author does not want the government to only take into consideration the points raised by the former RBI boss but he wants the government to take them seriously so that something is done to address those points.

Among the given options, A, B and D are completely out of context as per the given blank and only C can be placed in the blank in order to imply something meaningful.

2.

According to the given context, the former RBI governor has pointed to three possible areas where the bad loan issue may go worse in the future. These issues should be taken seriously by the government, according to the author. The given word is not correct since it is not about establishing some truth but the former RBI governor has only pointed out the issues.

Among the given options, A is out of context since utilized means using something properly whereas determined in Option B is also not correct

since that means being very single-minded about doing something. Guessed could have been the right answer had there been no explanation for the reasons cited by the former RBI boss. Only C can come in place of the blank so that it implies the meaning intended.

This makes option C the correct choice among the given options.

3.

According to the given context, we need to find a word that can explain the main function of the Kisan Credit Cards given to the farmers by the government through the banks. We know that the KCC cards are given to the farmers so that farmers can borrow funds from the banks and banks can lend money to them. This makes the given word incorrect for the blank.

Among the given options, A is completely opposite of the meaning intended in the context whereas C and D are not fit for the given context since KCCs may help farmers but they are mainly for the purpose of credit by banks. But lending may be used here since it perfectly denotes that KCCs are used to give funds to the farmers.

This makes option B the correct choice among the given options.

4.

According to the given context, the loans under Pradhan Mantri Mudra Yojana have been given to the farmers but when we are talking about any loan given by any bank, we generally use the term sanction to denote that a loan has been given to somebody by a bank.

In this sentence, the given word is perfect for the blank and no other word is required to be placed there. This makes the blank not fit for replacement.

Hence, option E is the correct choice among the given options.

5.

According to the given context, it is implied that the Pradhan Mantru Mudra Yojana is a famous scheme of the NDA government and they have only launched this scheme. This scheme is their brainchild and it is also promoted as a successful scheme of the government. The given word perfectly defines that the PMMY scheme is a successful scheme of the government and it is being run by the government as a main scheme of the government.

So, the given word is perfect for the given blank and no replacement is required in this regard.

It makes option E the correct choice among the given options.

6.

According to the given context, there is a doubt that banks will be able to manage the bad loans arising out of the small loans under the Pradhan Mantri Mudra Yojana and also recover the loans from such borrowers with the existing workforce of the banks. The given word explains the same since the author is doubtful whether it will be possible for the banks to take care of the mounting bad assets under such schemes.

Hence, the given word is perfect and no replacement is required to be carried out in the given sentence.

This makes option E the correct choice among the given options.

7.

According to the given context, it is the apprehension of the author that the small loans under the Pradhan Mantri Mudra Yojana scheme will be swept under the carpet and this will create problems in the future since the bad assets will keep on mounting day by day. Now, the given word risk perfectly defines that such a problem will be very dangerous for the whole economy of the country if it is not taken care of now itself.

No replacement is required to be carried out in the given blank since the word given is perfect to fill the blank.

It makes option E the correct choice among the given options.

8.

According to the given context, the apprehensions regarding the crop loans made through the KCC and the Mudra loans sanctioned to the small and medium businesses are the same since there are chances that such borrowers will be defaulters very soon. It will create issues for the whole economy in future since the banks will have to brace themselves for the higher burden of bad assets.

Now, the given word is not correct since it is not about functions of both the loans but we are talking about the same points being applicable in both the cases. Among the given options, A, B and C do not fit in the blank perfectly since they do not imply the same thing as in the passage. Only D can fit in the blank properly since it will imply that the same logic will hold true for both the crop loans and the Mudra loans.

It makes option D the correct choice among the given options.

9.

According to the given context, it is implied that the government has not listened properly to the points made by the Former RBI Governor regarding the impending financial crisis in the country due to the bad assets in the banking system. The given word deaf perfectly explains that the government does not listen to the suggestions made regarding the bad assets in the banking system. So, no replacement is required to be carried out in this blank.

This makes option E the correct choice among the given options.

10.

According to the given context, the farmers are under the impression that their loans will certainly be waived off by the government and that is why most of their loans turn into bad assets. This is not a good sign for the banking system as a whole. The given word is not correct since it means that the farm loans are waived off deliberately by the government though the context does not imply this.

Among the given options, A is out of context whereas tantalizingly in Option B implies having something that provokes interest but remains beyond the reach of the person ultimately. Option D is also not correct in this blank whereas C can be placed in the blank as it implies certainly, which fits the context correctly.

This makes option C the correct choice among the given options.



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