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The Question Bank

Comprehension Test Questions for SBI PO Pre, IBPS PO Pre, LIC AAO Pre, SBI Clerk Mains and IBPS Clerk Mains Exams.

Passage No. 167

Direction: Read the following passage carefully and answer the following questions.

E-pharmacies, which operate through websites or smartphone apps on the Internet, offer medicines for sale at a discount of at least 20% when compared to traditional pharmacists, with the added convenience of home delivery of medicines to one's doorstep. For scheduled drugs, patients can submit photographs of prescriptions while placing orders. Despite operating in India for at least four years now, the legal status of these e-pharmacies is not clear because the government is yet to notify into law draft rules that it published in 2018.

The fiercest opponents of e-pharmacies are trade associations of existing pharmacists and chemists. They argue that their livelihoods are threatened by venture capital backed e-pharmacies and that jobs of thousands are on the line. Apart from these obvious arguments, these trade associations also spin imaginary tales of how e-pharmacies will open the door to drug abuse and also the sale of sub-standard or counterfeit drugs, thereby threatening public health. There is enough evidence on record to demonstrate how existing pharmacies contribute generously to drug abuse and sale of sub-standard medicine. There is no reason to suspect that e-pharmacies are going to worsen the situation in anyway.

The more prudent way of looking at the entry of e-pharmacies is competition and the resultant effect it will have on lowering the price of medicine for Indian patients. Viewed from this perspective, there is virtually no doubt that e-pharmacies should be allowed to operate because the history of India's trade associations of pharmacists is one of rampant, **unabashed** cartelisation that has resulted in an artificial inflation of medicine prices.

This practice of two competitors colluding to fix the sale price and area of operation is called cartelisation, and is illegal under India's Competition Act. The premise of this law is that a free market is efficient only if all sellers are competing with each other to offer the lowest price to the customer.

Questions :

1. Why is the legal status of e-pharmacies not clear in India?

- I. Vested interests like trade associations of brick and mortar pharmacies do not want such pharmacies to sustain.
- II. The government has not yet notified any proper laws to govern such pharmacies.
- III. There are various court cases pending pertaining to such pharmacies.

- A. Only II B. Only III C. Only I and II D. Only II and III E. All of the above

2. Why do trade associations of existing pharmacists and chemists oppose e-pharmacies?

- I. They will lead to possible drug abuse and sale of counterfeit medicines.
- II. They will have to adapt and move online as well in the future.
- III. Their livelihood is threatened by such e-pharmacies.

A. Only II B. Only III C. Only I and III D. Only I and II E. All of the above

3. Which of the following strengthens the argument for e-pharmacies?

- I. It will lead to more research in pharmaceuticals.
- II. It will lead to decrease in medicine prices.
- III. It will lead to an increase in competition.

A. Only I B. Only III C. Only I and II D. Only II and III E. None of the above

4. If two retailers buy a medicine from a wholesaler at Rs 50 and the maximum retail price of the drug is Rs 75, which of the following situation is an example of cartelization?

- I. Both agree to sell at prices suited to their needs.
- II. Both demarcate the area within which each would operate.
- III. Both agree to sell the medicine at Rs 75.

A. Only I B. Only II C. Only III D. Only II and III E. Only I and II

5. Which of the following is most similar in meaning unabashed as mentioned in the passage?

A. Disconcerted B. Ashamed C. Modest D. Immobilize E. None of the above

Correct Answers :

1	2	3	4	5
A	B	D	D	A



Explanations:

1. **Refer to:** 'Despite operating in India for at least four years now, **the legal status of these e-pharmacies is not clear because the government is yet to notify into law draft rules that it published in 2018.**'

As per the fragments highlighted above, only II fits in well. The other statements have not been mentioned in the passage.

Hence, option A is correct.

2. **Refer to:** The fiercest opponents of e-pharmacies are trade associations of existing pharmacists and chemists. **They argue that their livelihoods are threatened by venture capital backed e-pharmacies and that jobs of thousands are on the line.** Apart from these obvious arguments, these trade associations also **spin imaginary tales** of how e-pharmacies will open the door to drug abuse and also the sale of sub-standard or counterfeit drugs, thereby threatening public health. There is enough evidence on record to demonstrate how existing pharmacies contribute generously to drug abuse and sale of sub-standard medicine. "

Statement I is incorrect as it is clear from the tone of the author that this is imaginary and not real.

Statement II has not been mentioned in the passage.

Statement III is correct as can be seen from the passage.

Hence, option B is correct.

3. **Refer to:** 'The more prudent way of looking at the entry of **e-pharmacies is competition and the resultant effect it will have on lowering the price of medicine** for Indian patients.'

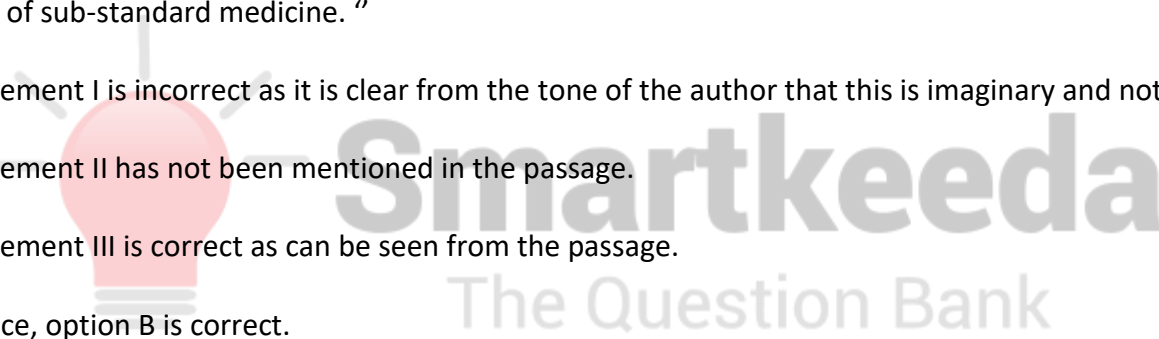
As per the fragments, only II and III are correct while I has not been mentioned.

Hence, option D is correct.

4. Cartelization is when sellers enter into an agreement to sell the product at a particular price which would lead to profits for them but losses for the consumer. In this, the sellers also define the area within which they would operate.

Both II and III are correct while I is opposite of what is cartelization.

Hence, option D is correct.



5. **Disconcerted:** not embarrassed, disconcerted, or ashamed.

As per this, *disconcerted* is correct.

Hence, option A is correct.



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