

# Comprehension Test for Bank Exams (IBPS PO Pre, IBPS Clerk Mains, SBI PO Pre & SBI Clerk Mains)

#### Passage No. 81

Directions: Kindly read the passage carefully and answer the questions given beside.

Energy sector is dominated by traditional energy sources, comprising primarily of oil, gas and coal. These constitute about 85 per cent of India's total energy consumption, followed by renewable energy, which takes care of about 13 per cent of the pie. This trend is fast changing, as government is shifting its focus from traditional sources to cleaner and renewable sources of energy.

In a bid to reduce emissions, the Supreme Court had banned the sale and registration of non BS-IV compliant vehicles with effect from 1 April 2017. The government has been encouraging development of electric vehicles (EVS) for the Indian market. This paradigm shift towards electric vehicles is going to be a game-changer for the Indian economy in general and our energy sector in particular, as it will curtail demand for oil and gas in the long run. India, being a net importer of crude oil at present, is expected to benefit immensely from the ongoing shift towards electric vehicles. Also, this shift is expected to strengthen India's fiscal position in the years to come.

While companies are waiting for more clarity on the policy front, many corporates have already started investing in the development of technologies and infrastructure for electric vehicles. Several auto companies have aggressively scheduled product launches of electric vehicles over the next five years. The government has plans to make India a 100 percent electric vehicle nation by 2030 and, transport authorities across states have shown their keen interest in rolling out electric bus services.

India is the world's third largest producer of electricity, with a total installed capacity of 329 GW as of 31 August 2017. Thermal energy, comprising coal, gas and diesel power, constitutes about two thirds of the total installed capacity, followed by renewable energy and nuclear power, comprising about a 31 percent and 2 percent share in the pie respectively.

During the last few years, the power sector in India has been witnessing major changes, with the government promoting cleaner energy, such as wind, solar and hydropower, among others, in a bid to provide rapid electrification to the entire country. There is a sharp increase in the capacity additions in the renewable energy space. On the other hand, the fossil energy space has been witnessing a sharp slowdown in capacity additions, as is seen in the statistics of April-August

2017. Only 3,790 MW of fresh capacity was added during the period, as against a targeted addition of 14,956 mw for 2017-18.

The outlook for new capacities in the thermal power space looks bleak, as there are no fresh long term power purchase agreements signed. Additionally, there is a sharp fall in the tariffs for renewable energy, competing aggressively with thermal power tariffs. To reduce its dependence on coal mining, India's largest coal mining company, Coal India, too has announced its intention to diversify into mining of other minerals such as bauxite, nickel, iron ore, etc.

Tariffs for wind and solar energy, which used to be prohibitively high a few years back, are now seen competing strongly with thermal power. Solar power tariffs were R2.65-3.36 per unit last month for 500 MW capacities, as compared to the all-time low tariffs of R2.44 per unit in may 2017. Wind power tariffs have fallen to a record low of Rs 2.64 per unit in the auction conducted by SECI for 1 GW capacities. The government aims to bring power tariffs to R3 per unit, irrespective of the source in the medium term.

The popularity of electric vehicles is all set to rise, with power tariffs becoming more affordable – driven by an increase in renewable power capacities. The development of improved technologies and supporting infrastructure facilities will further push demand for electric vehicles in the country.

A clear shift from subsidized fuel towards low-priced clean energy is expected now, which ought to be beneficial for the country. The share of oil, gas and coal in India's energy sector is expected to fall, while the share of cleaner and renewable energy is expected to rise in the years to come.

# Questions:

# 1. With respect to India's energy mix, which of the following are true?

I. India's installed capacity as of August 31, 2017 was 239 GW.
II. Nuclear power is forms a very feasible future prospect as an energy source.
III. Of all the renewable sources available, wind power has the maximum potential

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

# 2. What steps have been taken by corporate houses to be 'Electric vehicles' ready?

I. Started selling their stock of non-EVS at discounted rates to get rid of it.

I. Scheduling of product launches of various electric vehicles over the next five years.

II. Investing in the development of technologies for EVS.

A. Only I	B. Only II	C. Only I and II	D. Only II and III	E. None of the above
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# 3. Which of the following is/are true with reference to the passage?

I. Energy sector is dominated by traditional non renewable energy sources.

II. Shift towards Electric vehicles will lead to more consumption of oil and gas in the long run. III. Reduction in the use of oil and gas will lessen India's imports and improve fiscal numbers.

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

### 4. Which of the following, if true, could give a fillip to EVS in India?

I. Power tariffs decrease owing to increase in power generation capacity.

II. The government provides subsidies on clean energy and taxes conventional fuels.

III. Spreading awareness about the advantages EVS have over non-EVS.

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

# 5. What recent changes have been observed in India's power sector?

I. In terms of capacity addition, increase in addition at a decreasing rate has been seen in renewable energy space.

II. Government has been actively promoting cleaner energy, such as wind, solar and hydropower.
 III. Tariffs for wind and solar energy are still prohibitively high and would take some time before being able to compete with thermal power effectively.

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

# 6. Choose the word/group of words which is MOST SIMILAR in meaning to the word/group of words printed in bold as used in the passage.

# Prohibitively

A. Incompletely	B. In extreme	C. Blandly	D. Uncomfortably	E. Passionately
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# 7. Choose the word/group of words which is MOST SIMILAR in meaning to the word/group of words printed in bold as used in the passage.

Bleak

A. Cheerful	B. Appealing	C. Warm	D. Austere	E. Vivacious
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### **Correct Answers:**

1	2	3	4	5	6	7
E	D	С	E	В	В	D

# **Explanations:**

**1.** Refer to paragraph 4:

"...<u>India is the world's third largest producer of electricity, with a total installed capacity of 329 GW as of 31 August 2017</u>. Thermal energy, comprising coal, gas and diesel power, constitutes about two thirds of the total installed capacity, followed by renewable energy and <u>nuclear power, comprising about a 31</u> percent and 2 percent share in the pie respectively...'

All statements are incorrect.

Hence, Option E is correct.

### **2.** Refer to paragraph 3:

"...While companies are waiting for more clarity on the policy front, many corporates have <u>already</u> <u>started investing in the development of technologies and infrastructure for electric vehicles. Several</u> <u>auto companies have aggressively scheduled product launches of electric vehicles over the next five</u> <u>years</u>. The government has plans to make India a 100 percent electric vehicle nation by 2030 and, transport authorities across states have shown their keen interest in rolling out electric bus services...'

Statements II and III are mentioned in the passage above while Statement I is false.

Hence, option D is correct.

### **3.** Refer to paragraphs 1 and 2 respectively:

"...<u>Energy sector is dominated by traditional energy sources, comprising primarily of oil, gas and coal</u>. These constitute about 85 per cent of India's total energy consumption, followed by renewable energy, which takes care of about 13 per cent of the pie. This trend is fast changing, as government is shifting its focus from traditional sources to cleaner and renewable sources of energy.

In a bid to reduce emissions, the Supreme Court had banned the sale and registration of non BS-IV compliant vehicles with effect from 1 April 2017. <u>The government has been encouraging development of electric vehicles (EVS) for the Indian market</u>. This paradigm shift towards electric vehicles is going to be a game-changer for the Indian economy in general and our energy sector in particular, as it will curtail demand for oil and gas in the long run. India, being a net importer of crude oil at present, is expected to benefit immensely from the ongoing shift towards electric vehicles. Also, <u>this shift is expected to strengthen India's fiscal position in the years to come...'</u>

Statements I and III can be seen in the fragments above. Hence, Option C is correct. 4. All the three statements, if true, would boost EVS in India.

Hence, option E is correct.

### **5.** Refer to paragraph 5:

"...During the last few years, the power sector in India has been witnessing major changes, with the <u>government promoting cleaner energy</u>, such as wind, solar and hydropower, among others, in a bid to provide rapid electrification to the entire country. <u>There is a sharp increase in the capacity additions</u> in the renewable energy space. On the other hand, the fossil energy space has been witnessing a sharp <u>slowdown in capacity additions</u>, as is seen in the statistics of April-August 2017. Only 3,790 MW of fresh capacity was added during the period, as against a targeted addition of 14,956 mw for 2017-18..."

And to paragraph 7:

"... Tariffs for wind and solar energy, which used to be prohibitively high a few years back, are now seen competing strongly with thermal power..."

Smartkeeda

Hence, only Option B is correct.

**6.** Prohibitively means utterly/extremely/ intensely.

Incompletely and blandly are opposite of prohibitively.

Uncomfortably and passionately are irrelevant.

The only word that suits the requirement is in extreme.

Hence, B is the correct answer.

**7.** *Bleak* means barren/depressing/deoslate/cold.

Cheerful, appealing and warm are antonyms.

Vivacious means spirited/lively and is irrelevant here.

Austere means cold/stringent and is suitable here.

Hence, Option D is correct.



