

Banking Daily Quiz Blog - April 14



1. Read the given passage carefully and answer the questions that follow:

When Panagiotis Korfoksyliotis set up a business in Athens in 2011, ferrying tourists around by car, he hoped to do his bit to help Greece emerge from its deep recession. He says he paid his staff a decent wage and declared all his earnings. Unfortunately, the taxman did not repay the kindness. Sharp increases in business taxes have prompted Mr Korfoksyliotis to pack his bags and move his company

and his life to Bulgaria. Now he employs drivers to take foreign visitors around that country's tourist spots instead. He is part of a growing trend. In recent years Greek governments desperate for cash have sought to squeeze it from companies, despite evidence that this is driving them away to places like Bulgaria, Cyprus and Albania. The combination of a deep recession and rising taxation has meant that by some estimates more than 200,000 businesses have closed or in some cases left Greece since then. Between 2009 and 2014 the taxable profits declared by the country's businesses fell by more than €5 billion (\$5.6 billion) to €10 billion. Precise figures are hard to find, but accountants, lawyers and businesspeople reckon that perhaps as many as 10,000 Greek-owned firms have moved abroad. In a recent survey of 300 firms, Endeavor Greece, a non-profit organisation that helps entrepreneurs, found that more than a third had either left or were thinking about going. Venetis, a bakery chain, recently said that, because of high taxes and capital controls, it will focus more on opening shops abroad than in Greece. Even if they have kept their Greek operations going, some multinationals have moved their headquarters. Fage International, a dairy firm, said in 2012 when taxes started to rise, that it would move its base to Luxembourg. That year Coca-Cola Hellenic, which distributes the American giant's soft drinks in 28 mostly European countries, moved its base from Athens to Zug in Switzerland. In 2013 Viohalco, a metal-processor moved its head office to Brussels. The latter two firms say that the main reason was to improve their access to capital. But Greece's sharp tax rises were hardly an inducement to stay. Other euro-crisis countries, such as Portugal and Ireland, cut business taxes or kept them low, to encourage investment and growth. (Portugal's corporation-tax revenues are only slightly below where they were, as a share of GDP, before the global financial crisis.) But Greece has raised its corporation-tax rate from 20% in 2012 to 29% in 2015, even though international lenders such as the IMF will surely have advised against this. Greece's tax rise makes Bulgaria's rate of just 10% even more alluring; likewise Cyprus's 12.5% rate and Albania's 15%. The country's neighbours are delighted that it is sending business their way. Panagiotis Pantelis, an accountant

in Athens, says he has been busy in recent weeks meeting officials from neighbouring countries on behalf of clients looking to move out. Alexandros Ziniatis of Viva Trust, a firm that advises businesses seeking to relocate within Europe, reports similarly brisk interest from Greek companies.

The new leader of Greece's conservative opposition, Kyriakos Mitsotakis, has condemned the tax rises on business as counterproductive. But the left-wing ruling coalition is not listening. It is now proposing a 20% rise in a levy on companies' profits that goes toward pensions. Carry on in this vein, and there will not be many businesses or much profit, left to tax.

A. Which of the following have been the consequences of the recession in Greece?

I. Despite having their businesses running in Greece, many countries moved their headquarters to foreign countries.

II. A large number of companies closed because they were unable to pay the exorbitant taxes.

III. Behind the excuse of accessing finance smoothly in foreign countries, many companies moved their headquarters to other countries in order to escape high taxations in Greece.

IV. The Greek government, in order to encourage investment and growth, levied unbearable amounts of taxes on companies.

A I and IV

B I and II

C II, III and IV

D

I, II and III

E

All of these

Solution

IV is incorrect with reference to the passage. It states quite the opposite of what is given. Investment and growth cannot be promoted by levying huge amount of taxes. The other three statements are true in the context of the passage.

Thus, option D is the correct answer.

B. With reference to the passage, what does the movement of Mr Korfoksyliotis' company and his life to Bulgaria convey?

A

Greece is no more business-friendly as the government is arbitrarily imposing inordinate taxes.

B

Mr Korfoksyliotis will get better opportunities for investment in Bulgaria than in Greece.

C

Given that Bulgaria has not been badly affected by the European crisis, it has become a one- stop destination for the business companies from various countries that have been hit by the crisis.

D

The tax agencies in Greece tricked Mr Korfoksyliotis into paying an unreasonable amount of taxes.

E

The recession in Greece threatened the profits of businessmen like Mr Korfoksyliotis, who were left with no other alternative but migration.

Solution

Since the companies are leaving Greece under the threat of imposition of huge taxes, it can be said that Greece is no more business friendly and also that the taxes are unjustified. Thus, option A is the correct answer. B is not stated in the passage and C is also incorrect as we are not told whether Bulgaria has not been affected by the European crises. D is completely wrong, and E does not state the correct reason for the departure of the companies. Rather than the recession, it is the high taxes that caused them to flee.

C. Which of the following describes the author's opinion on the crisis being faced by Greece?

A

The recession is temporary, and given the measures being taken by the Greek government, it wouldn't last long.

B

Among all the European countries which have been engulfed by the economic crises, Greece would be the last one to come out of it.

C

With the hysteric tax imposition on the business companies, it would not take much time before Greece runs out of such companies.

D

The Greek government must call for financial aids from the neighbouring countries, which are flourishing with business companies that have abandoned Greece.

E

The author will not agree with any of the given options.

Solution

In the last line of the passage, the author states “Carry on in this vein, and there will not be many businesses, or much profit, left to tax.” This means that he/ she believes that if the imposition of business tax continues, Greece will not be left with many businesses.

Thus, option C is the correct answer

D. Which of the following is the central idea of the passage?

A

By 2018, the taxable profits of Greece’s businesses will fall by more than €20 billion, if the government does not control taxation.

B

The only ray of hope for the economically falling Greece is the election of the Conservative Party.

C

The reckless tax imposition on businesses has marred the economy of an already recession-hit Greece.

D

It is time that businesses leave Greece and settle in the neighbouring countries if they have to survive.

E

The European crisis is the major cause behind the recession in Greece, and given the unfavourable conditions, the steps that are being taken by the government do not have any alternatives.

Solution

The whole passage is about how during the time of recession, the Greek government has imposed huge business taxes on the companies, thus making them flee the country, which therefore, has hampered the economy. Hence option C is the best fit answer.

E. Which of the following is true in the context of the passage?

A

The Greek government levied unjustifiable amounts of business tax on companies in the face of acute cash crunch in the country due to the ongoing recession in the country.

B

Despite the imposition of excessive tax by the government on business companies, not a single company migrated to other countries.

C

Greece, unlike any other European country, has been a victim of the European Crises.

D

As a consequence of the withdrawal of many companies, the Greek government is busy formulating plans to get the company back.

E

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

Solution

The whole passage is about how during the time of recession, the Greek government has imposed huge business taxes on the companies, thus making them flee the country.

So, option A is correct. Option B is incorrect as many companies have migrated owing to the prevalent economic situations. Option C is incorrect as the fourth paragraph mentions “Other eurocrisis countries, such as Portugal and Ireland...” D is not at all mentioned in the passage.

2. In the given question four statements are given in the options. One idiom or phrase is used in all of the statements; pick up the statement in which the idiom/phrase has been used correctly. If the usage is incorrect in all the statements, then your answer as option 'E' i.e., 'None of these'.

A

Maya did not prepare the lesson and kept on **grasping at straws** when the teacher asked her a question.

B

The detective is **grasping at straws** because through surprisingly enough, there's practically no evidence at the crime scene.

C

Grasping at straws is an activity which is mostly liked by children at playschool.

D

When the boat toppled over, David used the row in order to **grasp at straws** and save himself from drowning.

E

None of these.

Solution

The idiom “grasping at straws” is used when you’re desperate and pursuing even the slightest hope or possibility (even if it probably won’t work). This meaning is accurately conveyed in option B which indicates that the detective was trying hard to find a clue even though practically there was none. Option A uses the phrase incorrectly, and “beating around the bush” would fit more appropriately than “grasping at straws”.

Option C mentions grasping at straws as a regular activity which is incorrect.

Option D more or less indicates the literal meaning of the phrase.

Hence, option B is the correct answer.

3. In the given question four statements are given in the options. One idiom or phrase is used in all of the statements; pick up the statement in which the idiom/phrase has been used correctly. If the usage is incorrect in all the statements, then your answer as option '5' i.e., 'None of these'

A

Aryan is quite untrustworthy, he **leaves you holding the baby** while you assume that he has gone to fetch medicines.

B

Exhausted from the hectic schedule, Rohan early from the office, **leaving me holding the baby**.

C

Pooja **left me holding the baby** as she had to accomplish some urgent task at her workplace.

D

When the customer started complaining about the deterioration of the quality of the product, my senior vanished and left me holding the baby.

E

None of these

Solution

If someone is left holding the baby, they are made responsible for a problem that others don't want to deal with. This meaning is appropriately conveyed by option D as the senior let the speaker suffer alone.

Option A conveys that Aryan tricks you.

Option B conveys that work was left on somebody else.

Option C conveys a literal sense of holding a baby.

Thus, option D is the best fit answer

4. In the given question four statements are given in the options. One idiom or phrase is used in all of the statements; pick up the statement in which the idiom/phrase has been used correctly. If the usage is incorrect in all the statements, then your answer as option '5' i.e., 'None of these'

A

The outcome of the contest was completely unpredictable, so we decided to play it by ear.

B

Parul is a connoisseur of Indian classical music and a fabulous singer, and she also well-rehearsed in playing it by ear.

C

Playing it by ear has become a routine of Priyansh while dealing with his clients, a habit which can land him into jail.

D

At the dinner function organised at my friend's house, the orchestra played it by ear and mesmerised the whole audience.

E

None of these.

Solution

The idiom “to play by ears” means to decide how to deal with a situation as it develops, rather than acting according to plans made earlier. Since option A talks about unpredictability, the idiom best fits in the context.

Options A and D talk about music and C talks about it as a habit that can land someone into jail.

5. Study the given information carefully :

In the given question, three phrases are given below the question statement. Choose the phrase(s) that can be placed in the given blank so as to make a meaningful and grammatically correct sentence.

A. ----- running for a fifth term, which few people expect her to seek.

I. She brushed aside a question as to whether she would rule out the idea of

II. She categorically chose not to answer questions on the possibility of

III. She entertained quite a few questions on her plans to participate in the election amidst the rumours that she would not be

A Only II

B Only III

C Both II and III

D Both I and III

E All of these

Solution

The part after the comma in the given sentence means that many people want her to run for the fifth term. Hence the part in the blank may state that “she” answered the questions or avoided them.

Thus, all I, II and III fit in the blank and convey meaningful and grammatically correct meaning

B. The script allowed linguists to finally crack the code, ----- out more about the ancient civilisation.

I. A key challenge involved in the whole process in internalizing

II. Decipher the hidden meanings and get

III. an immeasurable tool in finding

A Only II

B Only III

C Both II and III

D Both I and III

E All of these

Solution

Note that the blank space is followed by the word out, with which “get” forms a phrasal verb, but without lending the sentence the required meaning. To get out means to leave, but with respect to the context, things are being found out about the civilization. (I) cannot follow as the phrase “internalizing out” is incorrect. (III) fits in appropriately and option B is the correct answer.

