

Banking Daily Quiz Blog - May 19



1. Read the following passage carefully and answer the questions following it.

Foreign exchange market is described as an OTC (Over the counter) market as there is no physical place where the participants meet to execute their deals. It is more of an informal arrangement among the banks and brokers operating in a financing centre purchasing and selling currencies, connected to each other by telecommunications like telex, telephone and a satellite communication network, SWIFT. The term 'foreign exchange market' is used to refer to the segment of the market, where the dealings take place among the banks. The retail segment refers to the dealings that take place between banks and their customers. It is situated in a large number of places. They can be considered not as foreign exchange markets, but as the counters of such markets. The leading foreign exchange market in India is Mumbai. Calcutta, Chennai and Delhi are other centres accounting for the bulk of the exchange dealings in India. The policy of the Reserve Bank has been to decentralise exchanges operations and develop broader-based exchange markets. As a result of the efforts of the Reserve Bank, Cochin, Bangalore, Ahmadabad and Goa have emerged as the new centres of the foreign exchange market.

The Foreign Exchange market is the largest financial market with a daily turnover of over USD 2 trillion. Foreign exchange markets were primarily developed to facilitate settlement of debts arising out of international trade. But these markets have developed on their own so much so that a turnover of about 3 days in the foreign exchange market is equivalent to the magnitude of world trade in goods and services. The largest foreign exchange market is in London followed by New York, Tokyo, Zurich and Frankfurt.

The business in foreign exchange markets in India has shown a steady increase as a consequence of the increase in the volume of foreign trade of the country, improvement in the communications systems and greater access to the international exchange markets. Still, the volume of transactions in these markets amounting to about USD 2 billion per day does not compete favourably with any well developed foreign exchange market of international repute. The reasons are not far to seek. The rupee is not an internationally traded currency and is not in great demand. Much of the external trade of the country is designated in leading currencies of the world, viz., US dollar, pound sterling, Euro, Japanese yen and Swiss franc. Incidentally, these are the currencies that are traded actively in the foreign exchange market in India.

A. Which of the following statements is not true according to the given passage?

A The foreign exchange market is the largest financial market.

B The term 'foreign exchange market' is used to refer to the segment of the market, where the dealings take place among the banks.

C The rupee is not an internationally traded currency.

D Foreign exchange markets are physical markets.

E None of the above

Solution

The correct answer is option *D*.

All the options except option *D* are directly mentioned in the passage.

Additionally, it is mentioned in the opening line of the passage that a foreign exchange market is described as an OTC (Over the counter) market as there is no physical place where the participants meet to execute their deals.

Hence, the statement in option *D* is incorrect.

B. Which places have emerged as the new centres of the foreign exchange market?

A Delhi and Mumbai

B Chennai and Mumbai

C Cochin, Bangalore, Ahmadabad and Goa

D Kolkata and Delhi

E None of the above

Solution

The correct answer is option C as it is directly mentioned in the passage that due to the efforts of the Reserve Bank, Cochin, Bangalore, Ahmadabad and Goa have emerged as the new centres of the foreign exchange market.

C. Which of the following words is opposite in meaning to 'facilitate' as used in the passage?

A Ease

B**Impede**

C

Make possible

D

Simplify

E

None of the above

Solution

The correct answer is option B.

'Facilitate' means 'to make an action or process easy or easier'.

From the given options, 'impede' is opposite in meaning to 'facilitate'. It means to 'delay or prevent someone or something by obstructing them'.

All the other options are synonyms of 'facilitate' and hence are incorrect.

D. Which of the following words is closest in meaning to 'magnitude' as used in the passage?

A

Seize

B

Measure

C Enormity

D Meek

E Smallest

Solution

The correct answer is option *C*.

'Magnitude' means 'the great size or extent of something'.

The meanings of the given options are:

Seize: take hold of suddenly and forcibly.

Measure: ascertain the size, amount, or degree of something by using an instrument or device marked in standard units.

Enormity: the great or extreme scale, seriousness, or extent of something perceived as bad or morally wrong.

Meek: quiet, gentle, and easily imposed on; submissive.

Smallness: the quality of being of a size that is less than normal or usual.

E. What is the central theme of the given passage?

A Foreign exchange markets

B

Financial markets

C

World economic trade

D

The international value of the Indian rupee

E

None of the above

Solution

The correct answer is option *A*.

On a close reading of the passage, it is clear that the passage talks about foreign exchange markets.

2. Study the given informatipn carefully:

In the following question, some parts of the sentence may contain an error. Find out which part of the sentence does not have an error and click the option corresponding to it. If you think all the parts contain an error, mark option E , i.e. 'None of these' as your answer choice.

- A. **A Apple store in Amsterdam was evacuated and temporarily (A)/ closed after a iPad's battery exploded on Sunday. (B)/ Apple employees at the store secure the iPad and (C)/ punctured the battery in a container of sand after it exploded. (D)**

A

B

C

D

E None of these

Solution

The correct answer is option *D*, since it is the part of the sentence which does not contain any error.

- In *A*, 'A' is incorrect and must be replaced with 'An'. 'An' is used before the words starting with a vowel sound and 'Apple' starts with a vowel sound thus, 'A' must be replaced with 'An'.
- In *B* also, 'a' before 'iPad's' must also be corrected because of the same reason.
- In *C*, 'secure' must be replaced with 'secured'. As from the given context, we understand that the given sentence is in past tense, thus, it must also be corrected and 'secure' must be replaced with 'secured'.

As only *D* part is the one that does not contain any error, thus, the correct answer choice is option *D*.

- B. West Bengal TMC MP Derek O'Brien has (A)/ tweeted to clarify that the textbook mistakenly showing actor Farhan Akhtar a (B)/ former athlete Milkha Singh is not publicised by the (C)/ state government and not used in government-running schools. (D)**

A A

B B

C C

D D

E

None of these

Solution

The correct answer is option A,. The erroneous combination is BCD and the part which does not contain any error is A.

In part B, 'a' is incorrect and must be corrected as 'as'.

In the given context, if we read the complete sentence in one go we understand the fact that the textbook shows Farhan Akhtar as former athlete Milkha Singh, thus, 'a' must be corrected as 'as'.

In C, 'publicised' is incorrect and must be replaced with 'published'.

The word 'publicised' means 'make (something) widely known' which is not relevant with the given context. The aim was not to publicise him, the books 'published' meaning 'print (something) in a book or journal' the actor as Milkha Singh.

Thus, the corrected context will sound as, the textbook is not published by state government.

In D, 'running' is incorrect and must be replaced with 'run' thereby, correcting the context as 'government run schools (meaning schools run or operated by government). 'governmentrunning' sounds a bit absurd with the given context and thus, must be corrected.

As only A part is the one that does not contain any error, thus, the correct answer choice is option A.

- C. **Nineteen-year-old shooter Lakshay (A)/ finished second in the man's trap event (B)/ on Monday too win India's second silver (C)/ medal at shooting at the 2018 Asian Games. (D)**

A**A****B****B****C****C****D****D****E**

None of these

Solution

The correct answer is option A.

The erroneous combination is BCD and the part which does not contain any error is A.

In B, the word 'man's' is incorrect and must be corrected.

'Man' is singular and the competition was between men (plural) and not a single man thus, 'men's' must be used. In C, 'too' is incorrect.

'Too' means 'in addition'. For example, 'We are selling the house and the furniture too' (meaning we are selling the furniture along with the house).

Thus, it is incorrect and must be replaced with 'to' thereby, correcting the context as, 'to win the second silver medal'.

In D, 'at shooting' is incorrect. 'At' is generally used in context of places which is not the case.

From the sentence it is evident that he won the medal in shooting (event) and not at shooting.

As only A part is the one that does not contain any error, thus, the correct answer choice is option A.

- D. Volkswagen CEO Herbert Diess was told (A)/ with the existence of cheating software (B)/ in cars two months before regulators exposing the multi-billion (C)/ dollar exhausting emission scandal, German magazine Der Spiegel reported. (D)**

A A

B B

C C

D D

E None of these

Solution

The correct answer is option A ,

The erroneous combination is BCD and the part which does not contain any error is A.

In B, 'with the existence' is contextually wrong. From the given context, it is evident that the CEO was told about the existence of cheating software and not with the existence of cheating software

We always tell someone about something and not with something.

Thus, the appropriate correction must be done to make the second part error free.

As the given sentence is in past tense thus, both 'exposing' and 'exhausting' in parts C and D respectively are incorrect. The form 'ing' is used to highlight the fact that the action is still alive which is not the case as the given context is in past tense thus, both C and D are incorrect.

The sentence can be correctly rewritten as-

Volkswagen CEO Herbert Diess was told about the existence of cheating software in cars two months before regulators exposed the multi-billion dollar exhaust emission scandal, German magazine Der Spiegel reported.

- E. **Shooter Apurvi Chandela and Ravi Kumar (A)/ opened Indias medal tally at the (B)/ 2018 Asian Games by winning bronze on the (C)/ final of the 10m Air Rifle mixed team event. (D)**

A

B

C

D

E None of these

Solution

The correct answer is option *D*, i.e.

The erroneous combination is *ABC* and the part which does not contain any error is *D*.

In *A*, 'Shooter' is incorrect and must be replaced with 'Shooters'. Since, both Apurvi Chandela and Ravi Kumar are shooters thus, 's' must be used to make the word 'shooter' (singular) to 'shooters' (plural).

In *B*, 'Indias' is incorrect and must be replaced with 'India's'.

Reference has been made to a single 'India' and not multiple 'India'. Thus, the appropriate correction must be done. Apostrophe 's' is used to highlight the reference that both the shooters opened 'India's' tally count.

In *C* part, 'winning bronze on the' is grammatically incorrect and must be replaced with 'winning bronze in the' thereby, correcting the context as 'winning bronze in the final'.

'On' is used to highlight the fact that they won the medal on the day of the final whereas, in the given context we are referring to the fact that they won the medal in the final of the mixed team event (a single event that happened on the day of the event).

As only D part is the one that does not contain any error, thus, the correct answer choice is option *D*.

The sentence can be correctly rewritten as-

Shooters Apurvi Chandela and Ravi Kumar opened India's medal tally at the 2018 Asian Games by winning bronze in the final of the 10 *m* Air Rifle mixed team event.

