

# Banking Daily Quiz Blog - August 4



**1. Read the following passage carefully and answer the questions given below it. Certain words are given in bold to help you locate them while answering some of the questions.**

My aim is to present a conception of justice which generalizes and carries to a higher level of abstraction the familiar theory of the social contract. In order to do this we are not to think of the original contract as one to enter a particular society or to set up a particular form of government. Rather, the idea is that the principles of justice for the basic structure of society are the object of the original agreement. They are the principles that free and rational persons concerned to further their own interests would accept in an initial position of equality. These principles are to regulate all further agreements; they specify the kinds of social cooperation that can be entered into and the forms of government that can be established. This way of regarding the principles of justice, I shall call justice as fairness. Thus, we are to imagine that those who engage in social cooperation choose together, in one joint act, the principles which are to assign basic rights and duties and to determine the division of social benefits. Just as each person must decide by rational reflection what constitutes his good, that is, the system of ends which it is rational for him to pursue, so a group of persons must decide once and for all what is to count among them as just and unjust. The choice which rational men would make in this hypothetical situation of equal liberty determines the principles of justice.

In 'justice as fairness', the original position is not an actual historical state of affairs. It is understood as a purely hypothetical situation characterized so as to lead to a certain conception of justice. Among the essential features of this situation is that no one knows his place in society, his class position or social status, nor does anyone know his fortune in the distribution of natural assets and abilities, his intelligence, strength, and the like. I shall even assume that the parties do not know their conceptions of the good or their special psychological propensities. The principles of justice are chosen behind a veil of ignorance. This ensures that no one is advantaged or disadvantaged in the choice of principles by the outcome of natural chance or the *contingency* of social circumstances. Since all are similarly situated and no one is able to design principles to favor his particular condition, the principles of justice are the result of a fair agreement or bargain.

Justice as fairness begins with one of the most general of all choices which persons might make together, namely, with the choice of the first principles of a conception of justice which is to regulate all subsequent criticism and reform of institutions. Then, having chosen a conception of justice, we can suppose that they are to choose a constitution and a legislature to enact laws, and so on, all in accordance with the principles of justice initially agreed upon. Our social situation is just if it is such that by this sequence of *hypothetical* agreements we would have contracted into the general system of rules which defines it. Moreover, assuming that the original position does determine a set of principles, it will then be true that whenever social institutions satisfy these principles, those engaged in them can say to one another that they are cooperating on terms to which they would agree if they were free and equal persons whose relations with respect to one another were fair. They could all view their arrangements as meeting the stipulations which they would acknowledge in an initial situation that embodies widely accepted and reasonable constraints on the choice of principles. The general recognition of this fact would provide the basis for a public acceptance of the corresponding principles of justice. No society can, of course, be a scheme of cooperation which men enter voluntarily in a literal sense; each person finds himself placed at birth in some particular position in some particular society, and the nature of this position materially affects his life prospects. Yet a society satisfying the principles of justice as fairness comes as close as a society can to being a voluntary scheme, for it meets the principles which free and equal persons would assent to under circumstances that are fair.

- A. **Choose the word which is most OPPOSITE in meaning to the word Contingency printed in italicized as used in passage.**

A myriad

B impeccable

C enmity

ENTRI

**D****definiteness**

E

feral

**Solution**

Contingency means a future event or circumstance which is possible but cannot be predicted with certainty. Hence it has the opposite meaning of definiteness. Feral means savage, wild. Enmity means ill-will, hatred. Impeccable means perfect, flawless. Myriad means a very large number.

**B. Choose the word which is most SIMILAR in meaning to the word *Hypothetical* printed in italicized as used in passage.**

A

penchant

B

nominal

**C****putative**

D

obsequious

E

intrepid

## Solution

Hypothetical means supposed but not necessarily real or true. Hence it has the similar meaning as putative. Intrepid means brave in the face of danger. Penchant means a tendency, partiality. Obsequious means obeying. Nominal means insignificant.

C. **Which of the following situations best represents the idea of justice as fairness, as argued in the passage?**

**A** All individuals are paid equally for the work they do

**B** Everyone is assigned some work for his or her livelihood

**C** All acts of theft are penalized equally

**D** All children are provided free education in similar schools

**E** All individuals are provided a fixed sum of money to take care of their health

## Solution

Idea of justice as fairness can be best described as when all children are provided free education in similar schools. Option (d) is thus the right choice.

D. **Why, according to the passage, do principles of justice need to be based on an original agreement?**

A

Social institutions and laws can be considered fair only if they conform to principles of justice

**B**

**Social institutions and laws can be fair only if they are consistent with the principles of justice as initially agreed upon**

C

Social institutions and laws need to be fair in order to be just

D

Social institutions and laws evolve fairly only if they are consistent with the principles of justice as initially agreed upon

E

Social institutions and laws conform to the principles of justice as initially agreed upon

### **Solution**

According to the passage, principles of justice need to be based on an original agreement because social institutions and laws can be fair only if they are consistent with the principles of justice as initially agreed upon.

Option (b) is thus the right choice.

E. **Which of the following best illustrates the situation that is equivalent**

to choosing ‘the principles of justice’ behind a ‘veil of ignorance’?

A

The principles of justice are chosen by businessmen, who are marooned on an uninhabited island after a shipwreck, but have some possibility of returning

B

The principles of justice are chosen by businessmen, who are marooned on an uninhabited island after a shipwreck and have no possibility of returning

C

**The principles of justice are chosen assuming that such principles will govern the lives of the rule makers only in their next birth if the rule makers agree that they will be born again**

D

The principles of justice are chosen by potential immigrants who are unaware of the resources necessary to succeed in a foreign country

E

None of these

### Solution

Refer to the lines from paragraph 2..., "The principles of justice are chosen behind a veil of ignorance. This ensures that no one is advantaged or disadvantaged in the choice of principles by the outcome of natural chance or the contingency of social circumstances" which explain that the

principles are chosen assuming that such principles will govern the lives of the rule makers only in their next birth if the rule makers agree that they will be born again. Option (c) is thus the right answer choice.

F. **The original agreement or original position in the passage has been used by the author as:**

**A**

**A hypothetical situation conceived to derive principles of justice which are not influenced by position, status and condition of individuals in the society.**

B

A hypothetical situation in which every individual is equal and no individual enjoys any privilege based on the existing positions and powers.

C

A hypothetical situation to ensure fairness of agreements among individuals in society.

D

An imagined situation in which principles of justice would have to be fair.

E

An imagined situation in which fairness is the objective of the principles of justice to ensure that no individual enjoys any privilege based on the existing positions and powers.

**Solution**



Refer to the line from paragraph 1...,"Rather, the idea is that the principles of justice for the basic structure of society are the object of the original agreement" which explains that option (a) is the right answer choice.

**G. A just society, as conceptualized in the passage, can be best described as:**

A

A Utopia in which everyone is equal and no one enjoys any privilege based on their existing positions and powers

B

A hypothetical society in which people agree upon principles of justice which are fair

C

**A society in which principles of justice are not based on the existing positions and powers of the individuals**

D

A society in which principles of justice are fair to all.

E

A hypothetical society in which principles of justice are not based on the existing positions and powers of the individuals.

**Solution**

Refer to the line from paragraph 2...,"In 'justice as fairness', the original position is not an actual historical state of affairs. It is understood as a purely hypothetical situation characterized so as to lead to a certain conception of justice" which explains that option (c) is the right answer choice.

Given a paragraph and 5 options, the question asks which of the options completes (comes after) the paragraph best. Comprehending the paragraph is key to solving these. If none of the options given below completes the paragraph choose “none of these” as your choice.

2. **Normally, falling oil prices would boost global growth. This time, though, matters are less clear cut. The big economic question is whether lower prices reflect weak demand or have been caused by a surge in the supply of crude. If weak demand is the culprit, that is worrying: it suggests the oil price is a symptom of weakening growth. If the source of weakness is financial (debt overhangs and so on), then cheaper oil may not boost growth all that much: consumers may simply use the gains to pay down their debts. Indeed, in some countries, cheaper oil may even make matters worse by increasing the risk of deflation.**

A

An energy-induced drop in prices, though good for consumer purchasing power, risks reinforcing expectations of lower inflation overall; it is part of the threat's pernicious nature that such expectations easily become self-fulfilling.

B

The International Energy Agency, an oil importers' club, said it expects global demand to rise by just 700,000 barrels a day (b/d) this year, 200,000 b/d below its forecast only last month.

C

On balance, energy consumers win and energy producers and exporting countries lose with falling oil prices.

D

**On the other hand, if plentiful supply is driving prices down, that is potentially better news: cheaper oil should eventually boost spending in the world's biggest economies.**

**E** None of these

### **Solution**

The paragraph starts saying that normally falling oil prices boost global growth, but that this time, knowing whether the lower prices reflect weak demand or increase in supply is important to discern whether there is cause for cheer. The paragraph discusses the case of weak demand leading to lower prices, especially where the source of weakness is financial. The penultimate line talks of cheaper oil increasing the risk of deflation.

Option (a)- This option elaborates on the idea of deflation discussed in the penultimate line. While it is tempting to say that this option completes the paragraph best, it should be noted that the given paragraph has a structure and this option does not fit it. The paragraph has stated two possible causes for the low price- weak demand and increase in supply. If sentence A were to complete the paragraph, the case of increase in supply and how it impacts global growth will not be discussed, leaving the paragraph incomplete. Hence option A is ruled out. Option (b)- It is clear this option is not the correct one, as it is irrelevant to the given paragraph. Option (c)- This option, again, does not complete the given paragraph. It offers a tangential thought. Option (d)- This completes the paragraph given best, as it discusses the case of lower prices caused by surge in supply of oil, the second factor stated in the “big economic question” the paragraph talks of.

Given a paragraph and 5 options, the question asks which of the options completes (comes after) the paragraph best. Comprehending the paragraph is key to solving these. If none of the options given below completes the paragraph choose “none of these” as your choice.

3. **The 16th century in Europe was a great century of change. The humanists and artists of the Renaissance would help characterize the age as one of individualism and self-creativity. Humanists such as Petrarch helped restore the dignity of mankind while men like Machiavelli injected humanism into politics. When all is said and done, the Renaissance helped to secularize European society.**

A

The year 1543 can be said to have marked the origin of the Scientific Revolution, with Copernicus publishing *De Revolutionibus* and setting in motion a wave of scientific advance.

B

The century witnessed the growth of royal power, the appearance of centralized monarchies and the discovery of new lands.

C

**The very powerful notion that man makes his own history and destiny took root.**

D

In the meantime, urbanization continued unabated as did the growth of universities.

E

None of these

## Solution

The paragraph given starts stating that the 16th century was a great century of change in Europe. Though this statement is not specific about what change it is referring to, we see that the rest of the paragraph centers on humanism, talking of individualism, self creativity , dignity of mankind and secularization of the European society. So the correct answer option should relate to the same idea. Option (a) talks of the year 1543 heralding the Scientific Revolution. This is not the correct sentence to complete the given paragraph as it does not relate to humanism. Option (b) discusses the growth of royal power and centralized monarchies at this time. Again, we can rule out this option, as it does not relate to humanism (human interests, values and dignity) in the 16th century. Option (c) clearly is the correct option. The very powerful notion that man creates his own history and destiny took root in the 16th century. This carries forward the idea discussed in the rest of the paragraph. Option (d) discusses urbanization and the growth of universities. This is unrelated to the central idea of the given paragraph.

Given a paragraph and 5 options, the question asks which of the options completes (comes after) the paragraph best. Comprehending the paragraph is key to solving these. If none of the options given below completes the paragraph choose “none of these” as your choice.

4. **As democratic nation states reorient themselves to being accountable to global financial markets, non-democratic bodies such as the World Trade Organization, and trade agreements such as General Agreement on Tariffs and Trade and Trade in Services Agreement, they will necessarily become less responsive to the aspirations of their own citizens. With overt repression not always the most felicitous or cost-effective policy option, it has become imperative to find ways and means to ideologically tame the economically excluded. This is critical because growing discontent could lead to political instability.**

A

This is where behavioral economics in monitoring and ‘nudging’ the behavior of the financial elite comes in.

**B**

**Hence the new focus is on the minds and behavior of the poor.**

C

Ergo the drive to find market-led solutions to socio-economic problems.

D

Development is about freeing prices and making markets more efficient.

E

None of these.

## Solution

This paragraph starts on the premise that democratic nations holding themselves accountable to non-democratic bodies will necessarily become more indifferent to their own citizens. And because undisguised force or clampdown is not appropriate or cost-effective, they look for ways to “ideologically tame” the “economically excluded”, i.e., the unemployed and the poor. It becomes clear here that though the writer says “citizens” in general in the first line of the paragraph, he is specifically referring to the economically excluded as bearing the brunt of efforts to be tamed ideologically. The penultimate line states that “this” (ideological taming) is necessary because growing discontent can lead to political instability. Let us now look at options to complete the paragraph. Option (a) states that this is where behavioral economics in monitoring and ‘nudging’ the behavior of the financial elite comes in. We can rule out this option, as the paragraph is about measures sought to repress the economically excluded. The financial elite, or the wealthy, are not discussed here. Option (b) talks of the “new focus” on the “minds and behavior” of the poor. This makes a fitting concluding sentence to the paragraph. Democratic nations holding themselves accountable to non-democratic bodies become less responsive to their own citizens and seek ways and means of ideologically taming the economically excluded, because growing discontent amongst this group can lead to political instability. Hence the focus on the minds and behavior of the poor. Option (c) talks of the drive to find market led solutions to socio-economic problems. It is tempting to think of this as a possible conclusion for the paragraph. This is because the paragraph has discussed “market-led” democratic nations and their need to address their socio-economic problems differently. However, an important idea in the paragraph is that overt repression of the economically excluded is neither felicitous nor cost-effective, and so ideological solutions to “taming” them are being sought. Ideology refers to the thinking or beliefs of a group. The



solutions looked for are ones that are based in ideology and can bridle the thinking of the economically excluded. Option C, which talks of market led solutions to socio-economic problems, is hence not correct. Option (d) tells us that development is about freeing prices and making markets efficient. This is an unrelated idea, and does not add to the given paragraph. Hence the correct choice to complete the paragraph is option (b).

