

IIFT PAPER: (24-11-2013)

SECTION - 2

Directions for questions 68 to 69: Match the word in column 1 with meaning in column 2.

68.

Column 1	Column 2
i. Anthromorphous	a. Moving upwards
ii. Anachronistic	b. A collection of extracts from the writings of various authors
iii. Anthology	c. Having or resembling human form
iv. Ascension	d. Occurring in the wrong time period

A. i-b; ii-a; iii-d; iv-c
 B. i-c; ii-b; iii-d; iv-a
 C. i-c; ii-d; iii-b; iv-a
 D. i-b; ii-c; iii-a; iv-d

69.

Column 1	Column 2
i. Cacology	a. Study of human character
ii. Ethology	b. Study of snow and ice
iii. Misology	c. Poor diction or poor choice of words
iv. Cryology	d. Hatred of reasoning

A. i-d; ii-c; iii-a; iv-b
 B. i-c; ii-a; iii-d; iv-b
 C. i-a; ii-b; iii-c; iv-d
 D. None of the above

Directions for questions 70 to 71: For each of the questions given below, choose the word that fits well in all the four given sentences.

70.

(i) The Bill _____ reduction in electoral expenses.
 (ii) The plan _____ ten percent growth in production.
 (iii) The budget _____ a two-fold increase in this year's turnover.
 (iv) The company _____ a good production year due to better harvest.

A. seeks
 B. envisages
 C. hopes
 D. demands

71.

- (i) We _____ the room with an electric heater.
 (ii) His mother _____ lunch for all his friends.
 (iii) The will _____ that each child will receive half of the money.
 (iv) He _____ for his family by working overtime.

- A. prepared
 B. equipped
 C. arranged
 D. provided

Directions for questions 72 to 73: Arrange the given sentences in the most logical sequence.

72.

- (i) She was so innovative that she had begun to include the songs composed by Rabindranath Tagore in her repertoire even before the word "Rabindra Sangeet" was coined.
 (ii) Gauhar knew she could gain the goodwill of the Bengali babus by singing as many Bengali songs as she could in her soirees.
 (iii) Instead, she rendered them in her own style, giving them a classical twist.
 (iv) Gauhar was not afraid to defy the norms and in fact she seldom used the tunes that Tagore had set his songs to.

- A. i, ii, iii, iv
 B. ii, iv, iii, i
 C. ii, i, iv, iii
 D. iv, ii, i, iii

73.

- (i) At dusk, I allowed Adele to put away books and work, and to run downstairs.
 (ii) Twilight and snowflakes together thickened the air and hid the very shrubs in the lawn.
 (iii) The afternoon was wild and snowy and we passed it in the schoolroom.
 (iv) Left alone, I walked to the window but nothing was to be seen there.

- A. i, ii, iii, iv
 B. iii, i, iv, ii
 C. i, iii, iv, ii
 D. iv, iii, ii, i

Directions for questions 74 to 75: Select a word to replace the blank spaces.

74. Alleviate : Aggravate : : Elastic : _____

- A. Rigid
 B. Flexible
 C. Malleable
 D. Strong

75. Benevolent : Kind :: Unclear : _____

- A. Bright
- B. Thick
- C. Luminous
- D. Muddy

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Directions for questions 76 to 79: Select one word/phrase which is closest in meaning to the given phrase.

76. Person who knows or can speak many languages

- A. Polyglot
- B. Potable
- C. Plebiscite
- D. Paramour

77. Deserving blame for an offence or crime

- A. Hedonist
- B. Culpable
- C. Misanthrope
- D. Regicide

78. To have a jaundiced eye

- A. to be prejudiced
- B. to have an ailing eye
- C. to have ill-feeling for someone
- D. none of the above

79. To lose one's bearings

- A. to become tired
- B. to give up
- C. to become mentally unstable
- D. to be uncertain of one's position

80. Which of the following statements is grammatically incorrect?

- A. Will you pay by cash or by demand draft?
- B. Do you remember that Mr. Mehta made delicious kebabs and that he often held barbeque parties?
- C. There are, without a doubt, many good dishes to try here.
- D. The class teacher told Mrs. Kapoor that neither Priya nor Shikha are good dancers.

81. Which of the following statements is grammatically correct?

- A. Each of the girls living in the orphanage had been ill-treated by her family before they were abandoned.
- B. Each of the girls living in the orphanage were ill-treated by their family before they were abandoned.
- C. Each of the girls living in the orphanage had been ill-treated by her family before she was abandoned.
- D. Each of the girls living in the orphanage was ill treated by her family before she had been abandoned.

82. As busy as a bee is an example of :

- A. an oxymoron
- B. a metaphor
- C. an adage
- D. a simile

Directions for questions 83 to 84: Select the option with the incorrect spelling.

- 83.
- A. Accidentally
 - B. Asseverate
 - C. Assassination
 - D. Ammellioration

- 84.
- A. Gazzette
 - B. Lustre
 - C. Sergeant
 - D. Bucolic

Directions for questions 85 to 86: Select the most appropriate antonym for the given word.

85. Apocryphal

- A. authentic
- B. audacious
- C. blasphemous
- D. none of these

86. Capricious

- A. crafty
- B. obvious
- C. erratic
- D. consistent

87. Select the option which best changes the given sentence from active to passive voice:

The invigilator was reading out the instructions.

- A. The instructions were read by the invigilator.
- B. The instructions were being read out by the invigilator.
- C. The instructions had been read out by the invigilator.
- D. The instructions had been read by the invigilator.

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SECTION- 3 (Part 2)

Directions for questions 88 to 103: Read the following passages carefully and answer the questions at the end of each passage.

Passage 1

Much remained a mystery about Bernie Madoff's crime, even after he pleaded guilty in March 2009. But one thing, it seemed, that everybody knew was true was this: his wife and sons were guilty too. From the first weeks after his arrest, unidentified "former prosecutors" and "criminal lawyers who have followed the case" and "legal sources" were repeatedly quoted in various media outlets asserting that Ruth, Mark, and Andrew Madoff were under investigation and would soon be indicted. Glossy magazine articles would speculate carefully; garish Internet blogs would accuse recklessly; television commentators would wink and nod knowingly. All that fierce, smug certainty about their guilt-unsupported by any cited facts-effectively drove Madoff's immediate family into exile.

In an era of hypermedia, with mobile phone paparazzi and self-defined Internet commentators constantly on the alert for ways to attract attention, it is worth noting that these attacks on the Madoff family were a sharp departure from the typical public reaction to cases of white-collar crime, going back more than a century.

Of course, such criminals-confidence men, embezzlers, crooked politicians, fraudsters of all kinds-were attacked savagely by the press and the public when their crimes came to light. But their wives and children were almost never included in those attacks; rather they were almost always ignored or, at the very least, quickly left alone. There were a few exceptions where criminal charges were actually filed against a close relative, who was then pulled to the whipping post of public attention. In general, however, even the wives and children of executed murderers were left to rebuild their lives in relative obscurity, unless they sought the spotlight themselves.

The treatment over the years of organized-crime defendants is instructive. Despite widespread fascination with the murderous escapades of so-called "Mafia dons" and crime-family "capos", it was extremely rare for any attention to fall on the elderly Mrs. Mafia Don or the capos' children-even though a realist might have wondered how much they knew about why their husband or father had asked all his closest buddies to wear guns and sleep on mattresses in the garage. On rare occasions, a mobster's relatives actively courted publicity. But those who didn't were routinely ignored by the media and certainly were never publicly and repeatedly accused of complicity in their husbands' or fathers' crimes.

Yet the public outcry against Ruth Madoff and her sons began almost from the instant of Madoff's arrest and did not cease. By the time he pleaded guilty, it was deafening.

From the beginning, however, there were facts in the Madoff case that didn't seem to be consistent with the family's guilt. First, there was the fact that none of them fled the country. Perhaps Bernie Madoff, seventy years old at the time of his confession, felt too old and tired to leave as a wealthy fugitive, perhaps Ruth, even if she were guilty and faced arrest and a life of imprisonment, would not leave without him. But his two sons, if they were guilty, had the opportunity, the means, and the motive to flee. The end was clearly in sight weeks in advance, there was still a princely sum in the bank, they and their families were relatively young and portable. Surely, Madoff before turning himself in, would have handed his sons the keys to the company jet and enough cash to let them live comfortably beyond the reach of the cops for the rest of their lives. After all, if they were his accomplices, their only option would have been to stay and go to prison.

And yet Madoff did not flee- and neither did his wife or sons.

Then, there was his confession. Some hostile theorists immediately argued that Madoff and his guilty sons staged his confession so they could turn him in and thereby deflect suspicion from themselves. But this would have been a worthless gesture unless they all could have been absolutely sure that incriminating evidence would surface later and none of their other likely accomplices would finger the sons in a bid for leniency-assumptions that are not remotely realistic if the sons were actually guilty. Moreover, if Madoff believed anyone could be insulated from suspicion simply by turning himself in, wouldn't he have arranged for that to be Ruth?

Logic aside, assumptions about the family's guilt began to run up against the fact that, as the Madoff investigation progressed, the predicted arrests of his wife and sons simply did not happen.

88. According to the author, why did the wife and sons of Madoff not flee the country?
- A. Because Bernie Madoff had already pleaded guilty
 - B. Because they did not have the opportunity and means to flee
 - C. Because they had deflected suspicion from themselves by turning in Bernie Madoff in
 - D. None of the above
89. How did the family of Bernie Madoff react to media frenzy declaring them guilty?
- A. They launched counter publicity to prove they were not guilty
 - B. They sued the media
 - C. They

90. What is the point the author has highlighted in the given passage?
- A. That the Madoff crime came to light because of the dynamism of hypermedia
 - B. That the treatment over the years of organized-crime defendants has changed
 - C. That media tends to run parallel trials to the court
 - D. That families of criminals must also be indicted

91. Which of the following sentences is incorrect?

- A. It was the facts about the Madoff case that indicated that his family was guilty
- B. Madoff had been arrested following his confession
- C. Media has always shown extensive interest in the exploits of mafia dons and other criminals
- D. Madoff had committed a white-collar crime

Passage 2

Many years ago, one mustard dominated the supermarket shelves: French's. It came in a plastic bottle. People used it on hot dogs and bologna. It was yellow mustard, made from ground white mustard seed with turmeric and vinegar, which gave it a mild, slightly metallic taste. If you looked hard in the grocery store, you might find something in the speciality-foods section called Grey Poupon, which was Dijon mustard, made from the more pungent brown mustard seed. In the early seventies, Grey Poupon was no more than a hundred-thousand-dollar-a-year business. Few people knew what it was or how it tasted, or had any particular desire for an alternative to French's or the runner-up, Gulden's. Then one day, the Heublein Company, which owned Grey Poupon, discovered something remarkable: if you gave people a mustard taste test, a significant number had only to try Grey Poupon once to switch from yellow mustard. In the food world that almost never happens; even among the most successful food brands, only about one in a hundred has that kind of conversion rate. Grey Poupon was magic.

So Heublein put Grey Poupon in a bigger glass jar, with an enamelled label and enough of a whiff of Frenchness to make it seem as if it were still being made in Europe (it was made in Hartford, Connecticut, from Canadian mustard seed and white wine). The company ran tasteful print ads in upscale food magazines. They put the mustard in little foil packets and distributed them with airplane meals - which was a brand-new idea at the time. Then they hired the Manhattan ad agency Lowe Marschalk to do something, on a modest budget, for television. The agency came back with an idea: A Rolls-Royce is driving down a country road. There's a man in the back seat in a suit with a plate of beef on a silver tray. He nods to the chauffeur, who opens the glove compartment. Then comes what is known in the business world as the reveal. The chauffeur hands back a jar of Grey Poupon. Another Rolls Royce pulls up alongside. A man leans his hand out of the window. "Pardon me. Would you have any Grey Poupon?"

In the cities where the ads ran, sales of Grey Poupon leaped 40 to 50 percent, and whenever Heublein bought airtime in new cities sales jumped 40 to 50 percent again. Grocery stores put Grey Poupon next to French's and Gulden's. By the end of the 1980's Grey Poupon was the most powerful brand in mustard. "The tagline in the commercial was that this was one of life's finer pleasures," Larry Elegant, who wrote the original Grey Poupon spot, says, "and that, along with the Rolls Royce, seemed to impart to people's minds that this was something truly different and superior."

The rise of Grey Poupon proved that the American supermarket shopper was willing to pay more - in this case \$3.99 instead of \$1.49 for eight ounces - as long as what they were buying carried with it an air of sophistication and complex aromatics. Its success showed, furthermore, that the boundaries of taste and custom were not fixed: that just because mustard had always been yellow didn't mean that customers would use only yellow mustard. It is because of Grey Poupon that the standard American mustard section...

Wigon decided, four years ago, to enter the ketchup business. Isn't the ketchup business today exactly where mustard was thirty years ago? There is Heinz and, far behind, Hunt's and Del Monte and a handful of private label brands. Jim Wigon wanted to create the Grey Poupon of ketchup.

Wigon is from Boston. He runs his ketchup business-under the brand World's Best Ketchup-out of the catering business of his partner, Nich Schiarizzi, in Norwood, Massachusetts. He starts with red peppers, Spanish onions, garlic, and a high-end tomato paste. Basil is chopped by hand, because the buffalo chopper bruises the leaves. He uses maple syrup, not corn syrup, which gives him a quarter of the sugar of Heinz. He pours his ketchup into a clear ten-ounce jar, and sells it for three times the price of Heinz, and for the past few years he has crisscrossed the country, peddling World's Best in six flavours- regular, sweet, dill, garlic, caramelized onion, and basil - to speciality grocery stores and supermarkets. If you were in Zabar's on Manhattan's Upper West Side a few months ago, you would have seen him at the front of the store, in the spot between the sushi and the gefilte fish. In front of him, on a small table, was a silver tureen filled with miniature chicken and beef meatballs, a box of toothpicks, and a dozen or so open jars of his ketchup. "Try my ketchup!" Wigon said, over and over, to anyone who passed. "If you don't try it, you're doomed to eat Heinz the rest of your life."

In the same aisle at Zabar's that day two other demonstrations were going on, so that people were starting at one end with free chicken sausage, sampling a slice of prosciutto, and then pausing at the World's Best stand before heading for the cash register. They would look down at the array of open jars, and Wigon would impale a meatball on a toothpick, dip it in one of his ketchups, and hand it to them with a flourish. The ratio of tomato solids to liquid in World's Best is much higher than in Heinz, and the maple syrup gives it an unmistakable sweet kick. Invariably, people would close their eyes, just for a moment, and do a subtle double take. Some of them would look slightly perplexed and walk away, and others would nod and pick up a jar. "You know why you like it so much?" he would say, in his broad Boston accent, to the customers who seemed most impressed. "Because you have been eating bad ketchup all your life!" Jim Wigon had a simple vision: build a better ketchup - the way Grey Poupon built a better mustard - and the world will beat a path to your door.

92. Why has the author termed Grey Poupon as "magic"?

- A. It had a different taste and was seen as belonging to speciality-foods division
- B. It was made from Dijon mustard
- C. It commanded a conversion rate uncommon in the food world
- D. It came in a bigger glass jar than French's

93. How many years did it take for Grey Poupon to grow from a hundred-thousand dollar a year brand to the most powerful brand in mustard?

- A. Less than 5 years
- B. About 5-10 years
- C. About 15-20 years
- D. More than 25 years

94. What kind of audience was Grey Poupon reaching out to through its ads?

- A. Frequent Flyers
- B. Those who did not like the taste of French's
- C. Buyers of large quantities of mustard
- D. Rich and sophisticated customers

95. Which of the following statements is correct?

- A. World's Best Ketchup was cheaper than Heinz
- B. Wigon claimed that people will be doomed if they tried Heinz Ketchup
- C. World's Best Ketchup was thicker than Heinz
- D. People who were perplexed with the taste tended to pick up the jar of World's Best Ketchup

Passage 3

To equate 'capitalism' with 'greed' is a mistake. We tend to confuse self-interest in the marketplace with selfishness or greed. At the heart of capitalism is the idea of exchange between ordinary, self-interested human beings, who seek to advance their interests peacefully in the marketplace. Adam Smith called this 'rational self-interest'. It is the same motive that gets one to jump out of bed in the morning or makes one carry an umbrella if it rains—nothing selfish about that. To be human is to be self-interested, and this is what exchange in the market place entails.

Greed or selfishness, on the other hand, is an excess of self interest and often transgresses on the rights of others. It is present in all of us, but we find it easier to see it in others and difficult to see it in ourselves. Greed can motivate theft, entail himsa—hurting another whose opposite, ahimsa, is a virtue that Mahatma Gandhi extolled. But the other side of greed is ambition, a positive thing, and when rightly directed, is life-affirming. Herein lies the conundrum of human existence: that the same inner forces that result in a vice can just as easily become virtues that can motivate the well-being of our species.

Those who believe that capitalism has been forced on us by the imperial West are also wrong. Friedrich Hayek, the Noble laureate, called the market a spontaneous order—it is natural for human beings to exchange goods and services, and this is how every society evolved money, laws, conventions and morals to guide behaviour in the marketplace. These are natural products of human endeavour. Competing and cooperating in the marketplace existed in India before the West was imperial or modern.

Whether we like it or not, India is headed in the direction of some sort of democratic capitalism. After two decades of reforms, hardly anyone in India wants state ownership of production, where the absence of competition corrodes the character even more, as we know too well from the dark days of the 'license raj'. Our animus against capitalism has diminished after communism's fall as people increasingly believe that markets do deliver greater prosperity, but most think that capitalism is not a moral system. They continue to believe that morality must depend on religion.

Although the market is neither moral nor immoral, human self-interest usually brings about good behaviour in the marketplace. A seller who does not treat his customers with fairness and civility will lose market share. A company that markets defective products will lose customers. A firm that does not promote the most deserving employees will lose talent to its competitors. A buyer who does not respect the market price will not survive. Lying and cheating will ruin a firm's image, making it untouchable to creditors and suppliers. Hence, free markets offer powerful incentives for ethical conduct, but they must be backed by state institutions that enforce contracts and punish criminal behaviour. If the market has an inbuilt morality, why are there so many crooks in the marketplace? The answer is that there are crooked people in every society, and this is why we

need effective regulators, policemen and judges. We should design our institutions to catch crooks and not harass innocent people as we do so often.

The other cause of our grief is to mistake being 'pro-market' with being 'pro-business'. To be 'pro-market' is to believe in competitive markets which help to keep prices low and gradually raise the quality of products. Competition also means that some businesses will die because they are poorly managed and cannot compete. Kingfisher Airlines and Air India should be allowed to die and not be bailed out by the government. Thus, being pro-market leads to 'rules-based capitalism'; 'pro-business' often leads to 'crony capitalism'. Not to have explained this difference has been the great mistake of our reformers and this has led to the false impression that the reforms only make the rich richer. Crony capitalism exists in India today because of the lack of reforms in sectors such as mining and real estate. To get rid of crony capitalism we need more rather than less reform.

The doom-mongers, who claim that we are now resigned to live in an age of decaying moral standards, are also wrong. Yes, the new Indian middle class is permissive and indulges enthusiastically in harmless pleasures. Yes, it is materialistic, consumerist and capitalistic. But these impulses are not to be mistaken for greed. Only when one's pleasure hurts another does it become a matter of the law and then, of course, it must be punished. The shared imagination of the new India with its harmless pleasures and victimless vice is profoundly disturbing but (even there is enough) India might again return to its old character of renunciation.

Instead of religious men, young Indians are motivated by duties to fellow human beings rather than to gods. Those who accuse them of shallow materialism ignore the injustices that prevailed when religion held a monopoly on morality. They overlook real ethical progress with regard to sexual and caste equality that our secular society has begun to deliver. So, the next time Kejriwal makes an expose and the TV screams 'greed', do not fall into the trap of believing capitalist culture is morally sick or that we should return to a moral order rooted in socialism or religion.

96. Which of the following statement correctly reflects the views of the author?

- A. Greed entails both himsa and ahimsa
- B. Self interest does not necessarily lead to selfish behaviour
- C. Being pro market lead to the rich becoming richer
- D. Both B and D

97. Which of the following options most closely explains what the author wants to say, in the sentence beginning with: "Herein lies the conundrum of human existence:..."

- A. The enigma of human existence is that vices and virtues can result from the same inner forces.
- B. The bane of human existence is that vices and virtues can result from the same inner forces.
- C. The boon of human existence is that the same inner forces can lead to vices and virtues.
- D. The solution for human existence is that the same inner forces can lead to vices and virtues.

98. As wealth spreads in society, what is likely to happen according to the author?

- A. India will have to resign itself to decaying moral standards
- B. India may once again embrace renunciation
- C. The moral order in India will become deeply rooted in religion
- D. None of the above

99. Which of the following statements does not reflect the views given in this passage?

- A. Indian society is undergoing a change and the middle class is emerging
- B. Crony capitalism exists in India today because of the governments' pro-market policies.
- C. The Indian youth is motivated/ driven by moral duties rather than religious diktats.
- D. Free markets need the oversight of state institutions for defeating crooks and criminals

Passage 4

Brazil is a top exporter of every commodity that has seen dizzying price surges - iron ore, soybeans, sugar - producing a golden age for economic growth. Foreign money-flows into Brazilian stocks and bonds climbed heavenward, up more than tenfold, from \$5 billion a year in early 2007 to more than \$50 billion in the twelve months through March 2011.

The flood of foreign money buying up Brazilian assets has made the currency one of the most expensive in the world, and Brazil one of the most costly, overhyped economies. Almost every major emerging-market currency has strengthened against the dollar over the last decade, but the Brazilian *Real* is on a path alone, way above the pack, having doubled in value against the dollar.

Economists have all kinds of fancy ways to measure the real value of a currency, but when a country is pricing itself this far out of the competition, you can feel it on the ground. In early 2011 the major Rio paper, *O Globo*, ran a story on prices showing that croissants are more expensive than they are in Paris, haircuts cost more than they do in London, bike rentals are more expensive than in Amsterdam, and movie tickets sell for higher prices than in Madrid. A rule of the road: if the local prices in an emerging market country feel expensive even to a visitor from a rich nation, that country is probably not a breakout nation.

There is no better example of how absurd it is to lump all the big emerging markets together than the frequent pairing of Brazil and China. Those who make this comparison are referring only to the fact that they are the biggest players in their home regions, not to the way the economies actually run. Brazil is the world's leading exporter of many raw materials, and China is the leading importer; that makes them major trade partners - China surpassed the United States as Brazil's leading trade partner in 2009 - but it also makes them opposites in almost every important economic respect. Brazil is the *un-China*, with interest rates that are too high, and a currency that is too expensive. It spends too little on roads and too much on welfare, and as a result has a very un-China-like growth record.

It may not be entirely fair to compare economic growth in Brazil with that of its Asian counterparts, because Brazil has a per capita income of \$12,000, more than two times China's and nearly ten times India's. But even taking into account the fact that it is harder for rich nations to grow quickly, Brazil's growth has been disappointing. Since the early 1980s the Brazilian growth rate has oscillated around an average of 2.5 percent, spiking only in concert with increased prices for Brazil's key commodity exports.

While China has been criticized for pursuing "growth at any cost," Brazil has sought to secure "stability at any cost." Brazil's caution stems from its history of financial crises, in which overspending produced debt, humiliating defaults, and embarrassing devaluations, culminating in a disaster that is still recent enough to be fresh in every Brazilian adult's memory: the hyperinflation that started in

the early 1980s and peaked in 1994, at the vertiginous annual rate of 2,100 percent.

Wages were pegged to inflation but were increased at varying intervals in different industries, so workers never really knew whether they were making good money or not. As soon as they were paid, they literally ran to the store with cash to buy food, and they could afford little else, causing non-essential industries to start to die. Hyperinflation finally came under control in 1995, but it left a problem of regular inflation behind. Brazil has battled inflation ever since by maintaining one of the highest interest rates in the emerging world. Those high rates have attracted a surge of foreign money, which is partly why the Brazilian *Real* is so expensive relative to comparable currencies.

There is a growing recognition that China faces serious "imbalances" that could derail its long economic boom. Obsessed until recently with high growth, China has been pushing too hard to keep its currency too cheap (to help its export industries compete), encouraging excessively high savings and keeping interest rates rock bottom to fund heavy spending on roads and ports. China is only now beginning to consider a shift in spending priorities to create social programs that protect its people from the vicissitudes of old age and unemployment.

Brazil's economy is just as badly out of balance, though in opposite ways. While China has introduced reforms relentlessly for three decades, opening itself up to the world even at the risk of domestic instability, Brazil has pushed reforms only in the most dire circumstances, for example, privatizing state companies when the government budget is near collapse. Fearful of foreign stocks, Brazil is still one of the most closed economies in the emerging world - total imports and exports account for only 15 percent of GDP - despite its status as the world's leading exporter of sugar, orange juice, coffee, poultry, and beef.

To pay for its big government, Brazil has jacked up taxes and now has a tax burden that equals 38 percent of GDP, the highest in the emerging world, and very similar to the tax burden in developed European welfare states, such as Norway and France. This heavy load of personal and corporate tax on a relatively poor country means that businesses don't have the money to invest in new technology or training, which in turn means that industry is not getting more efficient. Between 1980 and 2008 Brazil's productivity grew at an annual rate of about 0.2 percent, compared to 4 percent in China. Over the same period, productivity grew in India at close to 3 percent and in South Korea and Thailand at close to 2 percent.

100. According to the passage, the major concern facing the Brazil economy is:

- A. Despite being a major exporter of several key primary commodities, the openness of the economy has not improved.
- B. High tax incidence on the household and company incomes, which restricts the ability of the firms to facilitate innovation and skill formation.
- C. Insufficient spending of budgetary resources on infrastructure augmentation, which hurts economic interests.
- D. All of the above

101. Brazil's quest for stability in its economy has originated from:

- A. The bitter experience of financial crisis and hyperinflation in the nineties
- B. The need to maintain steady supply of commodity exports from its economy
- C. The urge to enhance economic growth further
- D. All of the above

102. Identify the false statement:

- A. The Brazilian government in the past has shown lesser inclination towards quick implementation of reform measures.
- B. The inflow of foreign currency in Brazil has increased by around US \$ 45 Billion over the four-year period starting from 2007.
- C. The annual productivity growth rate in China during 1980-2008 is found to be 20 times higher than the corresponding figure experienced by Brazil.
- D. The current inflation management practice of Brazil has provided its economy a significant edge vis-a-vis other countries.

103. According to the passage, Brazil does not seem to be an exporter of which commodity combination?

- A. Poultry and beef
- B. Iron ore and soybeans
- C. Croissants and bikes
- D. Sugar, orange juice and coffee