

**Bank Clerk Sample Paper / Practice Paper**

**Directions (Q. 1 to 5):** Read each of the following sentences to find out whether there is any error in it. The error, if any, will be in one underlined part. The alphabet of that part is answer. If there is no error, the answer is 'E' (Ignore the error of punctuation, if any).

1. Hardly he reached/A) to his seat /B) than he /C) was called back by his boss/D). No error/E)
2. Baba Saheb Ambedkar rose/A) more highly than /B) his contemporary political leaders/C) by sheer dint of merit/D). No error/E)
3. Politicians always are/A) indulged in/B) controversies/C) of sorts/D). No error/E)
4. It's only later/A) that she's been/B) well enough /C) to go out/D). No error/E)
5. She usually learns/A) language very quickly/B) but she did not seem/C) able to learn Sanskrit/D). No error/E)

**Directions (Q. 6 to 10):** Each question below consists of a word printed in capital letters. Choose the word that is most nearly opposite in meaning to the word in capitalized letters.

6. FIASCO  
(a) empathy (b) animosity  
(c) Swindle (d) success  
(e) Petulance
7. ALTRUISM  
(a) Surrogate (b) discord  
(c) Selfishness (d) anarchy  
(e) Savagery
8. PERFUNCTORY  
(a) Prohibited (b) mean  
(c) Thorough (d) petty  
(e) Brazen
9. DEFINITE  
(a) Indirect (b) vague  
(c) Separate (d) acute  
(e) Perfect
10. PLACID  
(a) Depressed (b) feign  
(c) Trifling (d) swayed  
(e) Ruffled

**Directions (Q. 11 to 15):** Read each of the following sentences to find out whether there is any error in it. Each sentence has four words or phrases underlined. The error, if any, will be in one underlined part. The alphabet of that part is answer, if there is no error, the answer is 'E'. (Ignore the error of punctuation, if any).

11. He will be/A) released from/b) the/C) prison after/D) a week. No error/E)
12. Finally/A), the government has succeeded to bring/B) about/C) consensus over/D) economic reforms. No error/E)
13. She knew/A) that/B) what her mother was/C) saying is/D) correct. No error/E)
14. Prof. Narayanan's/A) command/B) both of his subject and his language/C) is/D) perfect. No error/E)
15. There was/A) violent protests against/B) Religious places bill both in/C) Delhi and/D) in lucknow. No error/E)

**Directions (Q. 16 to 20):** Read each of the following sentences, some part or all the sentence is underlined. Below each sentence is given five ways of phrasing. Select the answer from among the five options which produces the most effective sentence, one that is clear and exact.

16. When the Mughal empire was on the decline, among the casualties it claimed, was hundreds of Nawabs.  
(a) Among the casualties it claimed, was hundreds of Nawabs.  
(b) Among the casualties, it claimed, were hundreds of Nawabs.  
(c) Among the casualties it claimed, was the hundreds of Nawab.  
(d) Among the casualties it claimed, were the hundreds of Nawab.  
(e) Among the casualties it had claimed, was the hundreds of Nawabs.
17. Promod Mahajan is more vocal but not as competent as his senior party leaders.  
(a) Is more vocal but not as competent as  
(b) Is more vocal but not competent as  
(c) Is more vocal than not competent as  
(d) Is more vocal than but not as competent as  
(e) More vocal but least competent than
18. Khushwant Singh was never come out from his sex obsession, his new novel. 'In company of women' is nothing than a fiction on cheap sex.  
(a) Is nothing than a fiction on cheap sex?  
(b) Has nothing than a fiction about cheap sex?  
(c) Is nothing of a fiction on cheap sex?  
(d) Is nothing but a fiction on cheap sex?  
(e) Is about noting than a fiction on cheap sex.

19. Whether Suzuki will make a bid to the government stake will have to be weighed.
- (a) A bid to the government stake will have to be weighed.  
 (b) A bid for the government stake will have to be weighed.  
 (c) A bid to the government stake will be weighed.  
 (d) A bid for the government stake will have weighed.  
 (e) A bid on the government stake will be weighed.
20. For some reason, women's contribution to science, technology and literature are considerably lower than man.
- (a) Are considerably lower than men.  
 (b) Are considerably lower to men.  
 (c) Is considerably lower than men.  
 (d) Is considerably lower than that of men.  
 (e) Are considerably lower to that of men.

**Directions (Q. 21 to 25):** Each of the questions below has a phrase/clause underlined. From the given options choose the word that is similar in meaning to the underlined part.

21. Please leave the door slightly open.
- (a) Lewd (b) incantatory  
 (c) Astray (d) ajar  
 (e) Chasm
22. The swindler used a series of false names.
- (a) Delinquencies (b) aliases  
 (c) Masons (d) mates  
 (e) Alibi
23. Ill tempered bus conductor had brief noisy argument with a passenger.
- (a) Transgression (b) burlesque  
 (c) Anodyne (d) parachronism  
 (e) (An) altercation
24. This situation is in every way different from the earlier situation.
- (a) Enviably (b) altogether  
 (c) Specially (d) eternally.  
 (e) Balefully
25. Creation of rural character and atmosphere in drawing room is in vogue today.
- (a) Amalgamation (b) muddle  
 (c) Ambiance (d) modesty  
 (e) Arrangement

Directions (Q. 26 to 30): Arrange the following b, c, d and e sentences between (a) and (f) in a logical sequence in order to construct a logical coherent paragraph.

26. a. There is one but truly serious problem and that is suicide.  
 b. Judging whether life is worth living or not amounts to answering the fundamental problem of our existence.  
 c. As for me, I have come to believe that to die well requires greater moral stamina than to live well.  
 d. Heroism consists in facing death with equanimity.  
 e. Since in the beginning people have debated whether it is natural or perverse to escape from life's difficulties.  
 f. And this reflects the highest qualities of a well resolved life.
- (a) abcdef (b) acbdef  
 (c) adbcef (d) abecdf  
 (e) aebdcf
27. a. One such faith which seems well developed and has many oral texts that are beautiful is the faith of the tribal of Arunachal Pradesh.  
 b. Only the name is new.  
 c. They have in them the magic that lends itself graciously to piety.  
 d. Today the tribes have given it a name Donyi Poloism.  
 e. Their sacred texts called 'a 'abhangs' are as old as the hills.  
 f. It has served them well in the difficult conditions on the eastern Himalayas where the life is hard and cold.
- (a) abcdef (b) acbdef  
 (c) adbecf (d) aebdcf  
 (e) abedcf
28. a. Blame it on the cow or on the sun.  
 b. Australian scientists doing an inventory of green house gasses came up recently with methane emission.  
 c. Belching and flatulence in cows and sheep produce an estimated 90 percent of Australia's methane emission in agricultural sector.

d. To every one's astonishment they traced the source to Australia's cattle's which produce a six and half billion of methane annually, emitted largely through burps.

e. Never before has a hot environmental issue like global warming generated 50 many studies that seem intent on placing onus for our heated planet on sources ranging from the cattle to the cosmos.

f. Methane is said to be 25 percent more potent than carbon dioxide (CO<sub>2</sub>) in contributing to global warming.

- (a) abcdef (b) acbdef  
(c) adbcef (d) aebdcf  
(e) acdebf

29. a. understandably, high profile business barons have begun lobbying for a change in SEBI's takeover code.

b. This flies in the face of the logic.

c. Promoters are not required to hold 100 percent equity in a company to control it.

d. One of the suggestions is that raiders should be asked to make an open offer for 100 percent of the target's equity, not just 20 percent.

e. Why should raiders be asked to do so?

f. Besides, it would become prohibitively expensive for potential predators to dislodge managements, regardless of their performance, and be a body blow to shareholders democracy.

- (a) abcdef (b) acbdef  
(c) acdebf (d) adbcef  
(e) adecbf

30. a. The Indian hand-knotted carpet industry is a traditionally rural based cottage industry.

b. It is highly labour intensive and almost entirely export oriented.

c. It is when the migration of skilled craftsman from Persia and Afghanistan took place.

d. The present dominant tradition of pile carpet goes back to 16<sup>th</sup> century.

e. The patronage extended by Mughal rulers enabled the craft to take its root and flourish in India.

f. The newly revived carpet industry in India had to follow the traditional oriental style to compete in the market.

- (a) abcdef (b) acbdef  
(c) abdecf (d) adbcef  
(e) abdcef

**Directions (Q. 31 to 35):** In each of the following sentences there are two blank spaces. Below each sentence there are five pairs of words/ phrases. Choose a pair of words /phrases that fits into the blanks to give a meaningful sentence.

31. India was up for grabs and the only ---block was the English-who also---imperial ambitions.

- (a) Impeding; promoted (b) solid; encouraged  
(c) Stumbling; fostered (d) limping; nurtured  
(e) Mature; having

32. A---of guides surrounded me, all offering their services to ---me around the temple.

- (a) Flock; tour (b) gaggle; escort  
(c) Bundle; guide (d) multitude; chase  
(e) Huddle; follow

33. Much love and ---had gone into ---one of the most undignified diseases known to man.

- (a) Devotion; submerging (b) care; enduring  
(c) Sympathy; overpowering (d) discipline; defeating

34. And it was Clive who was given the job of ---the ---that was to become known as the black hole of Calcutta.

- (a) Avenging; tragedy (b) revenging; incidence  
(c) Placating; nawab (d) punishing; hooligans  
(e) Managing; comedy

35. Then he ---my hand and kissed it repeatedly found it all immensely -----.

- (a) Held; quavering (b) grabbed; embarrassing  
(c) Caught; inspiring (d) gobbled; sophisticated  
(e) Swayed; annoying.

**Directions (Q. 36 to 40):** Each of the sentences below has one or more blank spaces. Each blank indicating that a word has been omitted. Beneath each sentence five words or set of words are given. Which, when inserted in the sentence, best fit in the meaning of the sentence as a whole.

36. We admired the triumphant but we did not ----what we knew we could not ----.

- (a) Visualize; attain (b) envy; emulate  
(c) Estimate; examine (d) aggrandize; suppress  
(e) Follow; target

37. They are making the new ball -----a lot this morning.

- (a) Elevate (b) transcend  
(c) turn-away (d) swerve  
(e) Raise

38. One likes to have an -----of books on their self.

- (a) Illustration
- (b) array
- (c) Outline
- (d) extension
- (e) Abode

39. We turn again to him in the expectation that some thing profoundly -----will be said to us.

- (a) Agrarian
- (b) illuminating
- (c) Belligerent
- (d) pliable
- (e) Palatable

40. The falling water plashed with a -----sound as soft as a sleep.

- (a) Devilish
- (b) shallow
- (c) Murmurous
- (d) appreciative
- (e) Mute

**Directions (Q. 41 to 50):** Read the following passage carefully and answer the questions that follow.

With the economy experiencing lower real growth than anticipated by some, higher inflation, incomplete adjustment to external (oil) price shocks and sluggish reforms, there is renewed pressure on the rupee. The RBI has often proclaimed that it is not interested in pegging the value of the rupee with respect to the dollar at any particular level but only in minimizing volatility. Thus, a policy of leaning against the wind': if rupee value moves 'too fast', various policy measures are unleashed.

These range from 'talking to dealers', implicitly taxing locked in export earnings, intervening in the foreign exchange market and changing the bank rate. Surely, the current point blank refusal of the RBI alter the bank rate is part of the set of policies to soften the pressures on the rupee. At the same time, the sluggish growth of the economy has prompted calls for loosening monetary policy. It is important to understand the implications of this against the background of the chosen exchange rate regime and other instruments of policy, especially fiscal policy. The word over, being part of an internationally integrated financial system has made the variable-peg exchange rate regime difficult to practice, particularly for developing countries. Countries are moving either in the direction of an immutable fix (currency boards, depolarisation) or managed floating. The RBI appears to have moved decisively in the direction of managed float. However, its professed objective of minimizing volatility has often been understood as pegging, especially because the exchange value of the rupee against the dollar has a definite downward trend. A move toward either a variable peg or managed float vis-à-vis a dominant currency like the dollar in the context of highly integrated capital markets has serious implications for the conduct of monetary policy. These go beyond the simple dictum of the Mundell-Flemming model: with a fixed exchange rate you give up independent monetary policy whereas with a managed float, the efficacy of fiscal policy is compromised.

With a managed float both the interest rate and the exchange rate become part of the monetary transmission mechanism. Thus, a pure interest rate shock (say a fall) will have complex effects. In addition to the standard income effect (a fall in the rate implies lower income from savings thus lowering current consumption) and substitution effect (a fall in the interest rate decreases the attractiveness of postponing consumption) there will be effects on asset prices and value of debt stocks of different term structures and associated risks. The inclusion of exchange rate in the transmission mechanism adds another layer of uncertainty. An expansionary monetary policy would lead to a weaker rupee.

This would shift consumption away from imports (the substitution effect) and should have direct pass-through effects on the prices of exports, imports and substitutes for imports and exports. However, a weaker rupee would turn the terms of trade against us, which would reduce spending. Increase in the domestic resource cost of financing external debt repayments, consequent upon a weaker rupee, will have a wealth effect and also discourage spending. These effects would tend to reduce the expansionary impact of the postulated loose monetary policy.

With complementary exchange and interest rate movements, interest rates will have to fall less to effect any desired level of monetary expansion. Consequently, domestic bond prices do not rise by enough in response to monetary expansion. If such bonds then become the basis for further domestic credit expansion then the expansionary expectations from monetary profligacy would have been belied. Also, the smaller fall in interest rates will not lower the cost of servicing the internal debt as much as expected and would not be able to stimulate private investment by as much.

However, the lower value for the rupee would make domestic producers more competitive so that the trade deficit might narrow. As a consequence the foreign debt may not go up at least on this count.

A fiscal policy that arrests the fall in the value of the rupee and permits sufficient drop in the interest rate would be the obvious antidote in this situation. A natural corollary would be that if monetary policy is directed primarily toward price stabilization, then fiscal policy should be used for correcting the external imbalance. But such a fiscal policy becomes difficult to pursue if exchange rate expectations are volatile. Volatile expectations are rational if exchange rates overshoot equilibrium values in response to a monetary shock.

In addition, financial markets (domestic and international) are subject to 'bubble like behaviour'. Each such bubble would correspond to markets reacting to 'news' that could not be justified as 'rational' by subsequent events. Examples would include the recent overvaluation of technology stocks as well as the strength of the yen in early 1995. Such sharp changes in asset values would reverberate in currency markets. Even if interest rate movements offset the implied changes in currency values, there would be an effect on anticipated inflation (through prices of imports and exports) in an economy that is getting increasingly integrated with the world economy. This would again impact on the monetary transmission mechanism.

For these reasons countries look for capital controls as a way to ease the pressure on monetary and fiscal policy when international capital markets are highly integrated. Thus, China, Malaysia, Russia and others have opted for some forms of capital controls. Chile experimented with a much-studied form of capital controls and India shelved its plans for capital account convertibility. However, the danger with capital controls is that they tend to become porous over time. Further, they may, like most controls, be misused. All these tend to make the choice of fixed exchange rate regime, which can be changed when needed (a variable peg), look attractive.

41. Exchange rate mechanism adopted by RBI for rupee is

- (a) Immutable fixed exchange rate.
- (b) Managed-floating exchange rate.
- (c) Free-floating exchange rate.
- (d) Any of the above, depending upon the prevailing over-all economic situation.
- (e) None of the above

42. What is related to Mundell-Flemming model?
- A country has to give up its independent monetary policy in fixed exchange rate mechanism.
  - With a managed float exchange rate mechanism effectiveness of the fiscal policy is at stakes.
  - Managed float exchange rate mechanism is most appropriate
  - Both A and B
  - None of the above
43. What possible effect might depreciating rupee have on foreign debt?
- Foreign debt is likely to increase.
  - Foreign debt is likely to remain unaffected
  - Foreign debt is likely to decrease.
  - The foreign-trade deficit might increase
  - None of the above
44. Which of the following trend might be considered as not healthy for Indian economy?
- A relatively stable rupee
  - A low interest rate.
  - A volatile rupee in foreign exchange market
  - A monetary policy directed towards domestic price stabilisation.
  - Only C and D
45. What is implied by 'leaning against the wind' mentioned in the first paragraph?
- That RBI is interested in maintaining a fixed price of rupee with respect to dollar.
  - That monetary policy is dependent upon fiscal policy
  - That RBI will intervene in currency market if slide in value of rupee is 'too fast'
  - That Government of India (GoI) will only regulate policies to minimize untoward fluctuations in foreign currency market.
  - None of the above.
46. Which policy measures is not adopted by RBI to control the value of rupee in the currency exchange market?
- Regulation of bank rate.
  - Fixation of value of rupee at a desired level with respect to dollar.
  - Taxing locked in export earnings.
  - By directly intervening in the foreign exchange market.
  - None of the above
47. If the bank rates are decreased substantially what effect it would have on rupee in foreign currency exchange market?
- The value of rupee will appreciate.
  - The value of rupee will depreciate.
  - Indian rupee will remain unaffected.
  - Value of rupee depends upon multiple of other factors and its effects would be difficult to predict.
  - Only A and D
48. What is meant by 'bubble like behaviour'?
- Reverberations in currency market because of sharp changes in asset value.
  - Over valuation of technology stocks.
  - Irrational behavior of financial market leading to occasional boom-bust cycle.
  - Unjustified strength of yen in mid 1990s.
  - All of the above
49. Why do some countries opt for some form of capital controls to regulate the value of their currency in foreign exchange?
- To ease the pressure on monetary and fiscal policy in globalised capital market.
  - To control capital account convertibility of currency
  - To make capital control more porous.
  - Only A and C
  - All the above
50. What is the suggestion of the author regarding monetary transmission mechanism for India?
- Rupee should be made fully convertible on capital account.
  - Fixed exchange rate regime is best suited for India
  - India's managed float mechanism is best in present circumstance
  - Rupees value should be fixed to a basket of international currency.
  - All of the above

**Answer these Questions:-**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
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C	B	A	A	C	D	C	C	B	E
<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>
D	B	D	C	A	B	D	D	B	D
<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>
D	B	E	B	C	D	C	D	D	E
<b>31</b>	<b>32</b>	<b>33</b>	<b>34</b>	<b>35</b>	<b>36</b>	<b>37</b>	<b>38</b>	<b>39</b>	<b>40</b>
C	B	E	D	B	B	D	B	B	C
<b>41</b>	<b>42</b>	<b>43</b>	<b>44</b>	<b>45</b>	<b>46</b>	<b>47</b>	<b>48</b>	<b>49</b>	<b>50</b>
B	D	A	C	C	B	D	C	A	C