Indeed, the western recession is the beginning of good news for India! But to understand that we will have to move away for a while from the topic of western recession …….. to the Japanese recession! For years, the Japanese style of management has been admiring. However, over the last decade or so, one key question has sprung up “if Japanese management style is as wonderful as described then why has Japan been in a recession for more than a decade?”

The answer to this question is very simple. Culture plays a very important part in shaping up economies. What succeeds in one culture falls in another. Japanese’s are nonmaterialistic. And however rich they become. Unlike others, they cannot just keep throwing and buying endlessly. And once they have everything they need; there is a saturation point. It was only when companies like Toyota realized that they cannot keep selling cars endlessly to their home market that they went aggressive in the Western markets- and the rest is history. Japanese companies grew bigger by catering to the world markets when their home markets shrunk.

And the markets have to shrink finally after attaining a level of affluence! And that’s great for the world because the earth needs sustainable development. It does not need monstrous consumers who keep consuming at the cost of the environment and the earth. There should be limits to growth so that consumers are not being converted into materials dustbins for the profit of a handful of corporations. Owing to the materialistic culture elsewhere, it was possible to keep selling newer products to the consumers despite having existing ones that served equally well. They were being lured through advertising and marketing techniques of ‘dustbunisation’ of the customer; and then finally, once they became ready customers, they were given loans and credits to help them buy more and more. When all the credit worthy people were given loans to a logical limit, they ceased to be a part of the market. Even this would have been understandable if it could work as an eye opener. Instead of taking the ‘right step’ as Toyota did, they preferred to take a ‘shortcut’. Now banks went to the non-creditworthy people and gave them loans. The people expectedly defaulted, and the entire system collapsed.

Now like Toyota western companies will learn to find new markets. They will now lean towards India because of its common man! The billion plus population in the next 25 years will become a consuming middle-class. Finally, the world’s attention will shift to the developing world. Finally, there will be a real surge in income of these people and the next fifty odd years, one can really hope to see an equal world in terms of material plenty, with poverty being almost nonexistent! And this will happen not by selling more cars to Americans and Europeans. It will happen by creating markets in India, China, Latin America and Africa, by giving their people purchasing power and by making products for them.

The recession has made us realize that it is not because of worse management techniques, but because of limits to growth. And they will realize that it is great for planet earth. After all, how many cars and houses must the rich own before calling it enough? It’s time for them to look at others as well. Many years back, to increase his own profits, Henry Ford had started paying his workers more, so that they could buy his cars. In similar fashion, now the developed world will pay the developing world people so that they can buy their cars and washing machines.

The recession will kick-start the process of making the entire world more prosperous, and lays the foundation of limits to growth in the west and the foundation of real globalization in the world- of the globalization in the world- of the globalization of prosperity. And one of its first beneficiaries will be India.

**Question 1**

What does the author mean by ‘Dustbunisation’ of the customer?

A Convincing the customer to buy products he does not need

B Denying the non creditworthy people of any loans

C Denying more loans to people who have already taken loans to a logical limit

D Moving from old customers at the home market to foreign markets

E None of these

**Answer:** A

**Explanation:**

By the word "Dustbunisation" of a customer, the author tells us that “There should be limits to growth so that consumers are not being converted into materials dustbins for the profit of a handful of corporations."
Hence, answer will be A

**Question 2**

Why is recession the beginning of good news for India in the author's view?

(A) India can provide an attractive market to the western companies.

(B) India has remained largely unaffected by recession owing to its huge population.

(C) Indians keep purchasing products despite owning equally good products.

A   Only C
B   Only B
C   Only A
D   Only B and C
E   None of these

Answer: C

**Explanation:**

As the author tells that due to limits to growth, companies will be moving to find new markets and will be heading toward developing countries like India. Hence, answer will be A

**Question 3**

According to the passage, which of the following was NOT an effect of providing loans and credits to the customers?

(A) The non creditworthy people defaulted.

(B) People bought new products which were not needed.

(C) Poverty became non-existent.

A   Only A
B   Only B
C   Only A and B
D   Only B and C
E   Only C

Answer: E

**Explanation:**

The first two statements follow the effect of providing loans and credit to the people whether the last statement follows finding the new market that will be developing countries through which poverty may become non-existent. Hence answer will be E

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Question 4
How does the author foresee the future globalization as an analogy to Henry Ford’s example?

(A) Car companies would start selling cars in developing countries as well.
(B) By paying the developing world the developed world would increase its own profit, in turn bringing affluence to developing world as well.
(C) To earn profit, the companies in developing countries would move to foreign land.

A  Only A
B  Only B
C  Only C
D  Only A and C
E  None of these

Answer: B

Explanation:
“Henry Ford had started paying his workers more so that they could buy his cars. In similar fashion, now the developed world will pay the developing world people so that they can buy their cars and washing machines.”

According to the above-mentioned line of the paragraph only statement B follows.

Hence answer will be Option B.

Question 5
According to the author, what is the main cause of Japanese recession?

A  Only a handful of corporations earned profits and not the people in general.
B  Non creditworthy people defaulted which led to a collapse of the entire system.
C  Consumers were sold newer products which were similar in quality to the existing ones.
D  Japanese do not purchase endlessly and thus when products had been sold to every customer, the markets slowed down.
E  None of these

Answer: D

Explanation:
Refer to the following lines
“The answer to this question is very simple. Culture plays a very important part in shaping up economies. What succeeds in one culture fails in another. Japanese’s are basically non materialistic. And however rich they become. Unlike others, they cannot just keep throwing and buying endlessly. And once they have everything they need; there is a saturation point.”

This line indicates that Japanese do not purchase endlessly and have a saturation point once they possess everything they need. Option d summarises this point most suitably.

Question 6
Why does the author foresee the markets being created in the developing countries instead of America and Europe?

A  All developing countries have materialistic culture
B  Developed countries are willing to make an effort to achieve globalization
American and European markets have had a large number of credit defaulters.

Recession has not hit the markets of developing countries yet.

None of these

Answer: E

Explanation:
"Now banks went to the non-creditworthy people and gave them loans. The people expectedly defaulted, and the entire system collapsed. Now like Toyota western companies will learn to find new markets. They will now lean towards India because of its common man! The billion plus population in the next 25 years will become a consuming middle-class. Finally, the world's attention will shift to the developing countries. Finally, there will be a real surge in income of these people and the next fifty odd years, one can really hope to see an equal world in terms of material plenty, with poverty being almost nonexistent! And this will happen not by selling more cars to Americans and Europeans. It will happen by creating markets in India, China, Latin America and Africa, by giving their people purchasing power and by making products for them."

As mentioned in the above paragraph of the passage that, there is a limit to the growth in a particular market and the author suggests finding new markets Otherwise the entire system would have collapsed.

Hence, "none of these" will be an answer for it.

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Question 7
Although admired since years, why did the skepticism over the Japanese management style start since the last decade?

A Japanese companies have been moving out of their home markets since the last decade.
B Japanese banks have provided loans indiscriminately to the creditworthy as well as non creditworthy people.
C Because Japanese markets have been going through a period of continuous recession since the last decade.
D The unlimited growth of the Japanese markets has come at the cost of the western market.
E None of these

Answer: C

Explanation:
For years, the Japanese style of management has been admiring. However, over the last decade or so, one key question has sprung up "if Japanese management style is as wonderful as described then why has Japan been in a recession for more than a decade?"

According to above lines of the paragraph, skepticism occurs because of the continuous recession since last decade.
Hence, answer will be C

Question 8
What does the author mean by the “Right step” in the passage?

A Giving loans to credit worthy people only
B Considering market growth along with environment protection.
C Restricting people to buy only such products which are needed by them.
D To start looking at newer avenues and markets
E None of these

Answer: D

Explanation:

Answer: D

Explanation:
"Even this would have been understandable if it could work as an eye opener. Instead of taking the ‘right step’ as Toyota did, they preferred to take a ‘shortcut’. Now banks went to the non-creditworthy people and gave them loans. The people expectedly defaulted and the entire system collapsed. Now like Toyota western companies will learn to find new markets. They will now lean towards India because of its common man! The billion plus population in the next 25 years will become a consuming middle-class."

As it is clear from the above paragraph, that the right step is "to start looking at newer avenues and markets"

Instructions: Read the following passage carefully and answer the questions given below it. Certain words/ phrases have been printed in bold to help you locate them while answering some of the questions.

Governments have traditionally equated economic progress with steel mills and cement factories. While urban centers thrive and city dwellers get rich, hundreds of millions of farmers remain mired in poverty. However, fears of food shortages, a rethinking of antipoverty priorities and the crushing of recession in 2008 are causing a dramatic shift in world economic policy in favour of greater support for agriculture. The last time when the world’s farmers felt such love was in the 1970s. At that time, as food prices spiked, there was real concern that the world was facing a crisis in which the planet was simply unable to produce enough grain and meat for an expanding population. Governments across the developing world and international aid organizations plowed investment into agriculture in the early 1970s, while technological breakthroughs, like high-yield strains of important food crops, boosted production. The result was the Green Revolution and food production exploded. But the Green Revolution became a victim of its own success. Food prices plunged by some 60% by the late 1980s from their peak in the mid-1970s. Policy makers and aid workers turned their attention to the poor’s other pressing needs, such as health care and education. Farming gets starved of resources and investment. By 2004, aid directed at agriculture sank to 3.5% and “Agriculture lost its glitter”. Also, as consumers in high-growth giants such as China and India became wealthier, they began eating more meat, so grain once used for human consumption got diverted to beef up livestock. By early 2008, panicked buying by importing countries and restrictions slapped on grain exports by some big producers helped drive prices up to heights not seen for three decades. Making matters worse, land and resources got reallocated to produce cash crops such as biofuels and the results was that voluminous reserves of grain evaporated. Protests broke out across the emerging world and fierce food riots toppled governments.

This spurred global leaders into action. This made them aware that food security is one of the fundamental issues in the world that has to be dealt with in order to maintain administrative and political stability. This also spurred the US which traditionally provisioned food aid from American grain surpluses to help needy nations, to move towards investing in farm sectors around the globe to boost productivity. This move helped countries become more productive for themselves and be in a better position to feed their own people. Africa, which missed out on the first Green Revolution due to poor policy and limited resources, also witnessed a ‘change’ Swayed by the success of East Asia; the primary poverty-fighting method favoured by many policymakers in Africa was to get farmers off their farms and into modern jobs in factories and urban centers. But that strategy proved to be highly insufficient. Income levels in the country side badly trailed those in cities while the FAO estimated that the number of poor going hungry in 2009 reached on all time high at more than one billion.

In India on the other hand, with only 40% of its farmland irrigated, entire economic boom currently underway is held hostage by the unpredictable monsoon. With much of India’s farming areas suffering from drought this year, the government will have a tough time meeting its economic growth targets. In a report, Goldman Sachs predicted that if this year too receives week rains, it could cause agriculture to contract by 2% this fiscal year, making the government’s 7% GDP growth target look “a bit rich”. Another green revolution is the need of the hour and to make it a reality, the global community still has much backbreaking farm work to do.

Question 9

What encouraged Africa Policy makers to focus on urban jobs?

A  Misapprehension that it would alleviate poverty as it did in other countries
B  Rural Development outstripped urban development in many parts of Africa
C  Breaking out of protests in the country and the fear that the government would topple
D  Blind imitation of western models of development
Answer: A

Explanation:
Refer to the last sentence of the second last paragraph. Policy makers in Africa were under the impression that that would reduce poverty like it did in other places but it proved to be insufficient in Africa.

Question 10

Which of the following had contributed to exorbitant food prices in 2008?

(A) Hoarding of food stocks by local wholesalers which inadvertently created a food shortage.
(B) Export of food grains was reduced by large producers.
(C) Diverting resources from cultivation of food grains to that of more profitable crops.

A None
B Only C
C Only B
D All A, B and C
E B and C

Answer: E

Explanation:
Refer to the last three sentences of the first paragraph. Both B and C i.e. (B) Export of food grains was reduced by large producers (C) Diverting resources from cultivation of food grains to that of more profitable crops. are correct as per the passage.

Question 11

Which of the following is true about the State of agriculture in India at Present?

(A) Of all the sectors, agriculture needs the highest allocation of funds.
(B) Contribution of agriculture to India's GDP this year would depend greatly upon the monsoon rains.
(C) As India is one of the high-growth countries, it has surplus food reserves to export to other nations.

A (A) and (C)
B Only (C)
C Only (B)
D (B) and (C)
E None of these

Answer: C

Explanation:
Refer to the first sentence of the last paragraph. The degree of contribution from agriculture to India's GDP depends greatly on how much rain, monsoon would be bringing this year.

Question 12

Which of the following is an adverse impact of the Green Revolution?

A Unchecked crop yields resulted in large tracts of land becoming barren
Withdrawal of fiscal impetus from agriculture to other sector

Farmers began soliciting government subsidies for their produce

Farmers rioted as food prices fell so low that they could not make ends meet

None of the above

Answer: B

Explanation:
Refer to the second half of the first paragraph. Withdrawal of fiscal impetus from agriculture to other sector is a consequence of green revolution. Hence, option (b) is the right option.

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Question 13

Which of the following factors was/were responsible for the neglect of the farming sector after the green revolution?

(A) Steel and cement sectors generated more revenue for the government as compared to agriculture.
(B) Large scale protests against favoring agriculture at the cost of other important sectors such as education and healthcare.
(C) Attention of policy makers and aid organizations was diverted from agriculture to other sectors.

A None
B Only C
C B and C
D A and B
E All A, B and C

Answer: B

Explanation:
Refers to the fifth sentence of the first paragraph. Right after the green revolution, the attention of the policy makers was diverted from agriculture to other sectors like education and health care.

Question 14

What impact did the economic recession of 2008 have on agriculture?

A Governments equated economic stability with industrial development and shifted away from agriculture
B Lack of implementation of several innovative agriculture programmes owing to shortage of funds
C It prompted increased investment and interest in agriculture
D The GDP as targeted by India was never achieved because of losses in agriculture
E None of the above

Answer: C

Explanation:
Refer to the last sentence of the first paragraph. There is a mention that the recession increased focus on agriculture.

Question 15

What prompted leaders throughout the world to take action to boost the agriculture sector in 2008?
A Coercive tactics by the US which restricted food aid to poor nations
B The realization of the link between food security and political stability
C Awareness that performance in agriculture is necessary in order to achieve the targeted GDP
D Reports that high-growth countries like China and India were boosting their agriculture sectors to capture the international markets
E Their desire to influence developing nations to slow down their industrial development

Answer: B

Explanation:
Protests broke across the emerging world and fierce food riots toppled governments. This caused the world leaders to realize the link between food security and political stability and take necessary action.

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Question 16
What is the author’s main objective in writing the passage?

A Criticizing developed countries for not bolstering economic growth in poor nations
B Analyzing the disadvantages of the Green Revolution
C Persuading experts that a strong economy depends on industrialization and not agriculture
D Making a case for the international society to engineer a second Green Revolution
E Rationalizing the faulty agriculture policies of emerging countries

Answer: D

Explanation:
All throughout the passage, the author keenly mentions the need for a second green revolution. He/she is trying to make a case for the world leaders to engineer another green revolution.

Question 17
What is the author trying to convey through the phrase making the government’s 7% GDP growth target look “a bit rich”?

A India is unlikely to achieve the targeted growth rate
B Allocation of funds to agriculture has raised India’s chances of having a high GDP
C Agricultural growth has artificially inflated India’s GDP and such growth is not real
D India is likely to have one of the highest GDP growth rates
E A large portion of India’s GDP is contributed by agriculture

Answer: A

Explanation:
Refer to the second and the third sentences of the last paragraph. India is facing droughts and it’s irrigation is in crisis. Hence, it may not be able to reach it’s growth targets.

Question 18
What motivated the US to focus on investing in agriculture across the globe?
A To make developing countries become more reliant on US aid
B To ensure grain surpluses so that the US had no need to import food
C To make those countries more self-sufficient to whom it previously provided food
D to establish itself in the market before the high-growth giants such as India and China could establish themselves
E None of the above

Answer: E

Explanation:
Refer to the second and the third sentences of the second paragraph. When the global leaders realised that food security was very important for political and administrative stability, US started to focus on investing in agriculture across the globe.