

With inflation under check, the government must now focus on fiscal consolidation to further macroeconomic stability

Is the Reserve Bank of India (RBI) inclined towards lesser **quantum** of interest rate hikes or even taking a **pause**, **in line with** the **stance** of one of its own **monetary policy committee** members? The central bank's just-released "**State of the Economy**" report would seem to suggest that. While inflation was the **dominant concern** of 2022, this could be **displaced** in 2023 by **recession** — a **debate** over whether it may **turn out** "short and **shallow**" or "long and deep". The report is also encouraged by "**macroeconomic stability** getting further **entrenched**" and the "first **milestone** of monetary policy" — **consumer price inflation** in the last two months falling within the RBI's six per cent **upper tolerance limit** — being passed. It is even hopeful of fiscal consolidation "**underway** at central and sub-national levels" and the external **current account deficit** "**on course** to narrow through the rest of 2022 and 2023".

The above **prognosis**, probably **somewhat over-optimistic**, **is** significant, coming less than two weeks before the Union Budget for 2023-24. Either way, it is sensible for the RBI to slow down the **pace** of **monetary tightening**, if not pause. Since early-May, the bank's **benchmark repo lending rate** has gone up by 225 **basis points**, from 4 per cent to 6.25 per cent. That's a fairly steep rise within a short period. It is well established that monetary policy acts with a **lag**. In this case, the **transmission** of the **front-loaded interest rate** increases to the **real economy** may take at least a few quarters. The RBI can, therefore, afford to adopt a wait-and-watch approach and allow the impact of its past monetary policy actions to be fully felt. This does not mean **taking its foot off the pedal**; bringing down inflation to the target ("second milestone") of four per cent is no less important. But the **balance** of risks **is** today clearly **tilted** towards growth rather than inflation, both globally and domestically.

If the RBI is seen to have done enough of tightening for now, it is appropriate that the **onus** for macroeconomic **stabilisation** also **shift** more to **North Block** than **Mint Street**. The coming budget should prioritise fiscal consolidation. It implies no new **populist** schemes in the name of putting money in people's hands or sharp tax cuts to **supposedly incentivise** investors. The world is, no doubt, viewing India favourably as an investment destination, both for its large domestic market and the need to **de-risk** from China in the current geopolitical environment. The Narendra Modi government's **focus** on improving the country's physical as well as digital infrastructure, plus schemes such as production-linked incentive for attracting investments in specific manufacturing sectors, **has** probably **added to** that perception. **Demonstrating** macroeconomic stability and policy **credibility can** be the **icing on the cake** to bring the world to India. **[Practice Exercise]**

- **Mint street** (noun) – Reserve Bank of India, often known as Mint Street
- Red/blue coloring of words in the sentence indicates subject verb relationship; where 'red' denotes 'subject' and 'blue' denotes 'verb'.

Vocabulary

1. **Inflation** (noun) – A general and progressive increase in prices मुद्रा स्फीति
2. **Under check** (phrase) – Under control
3. **Fiscal consolidation** (noun) – set of policies to reduce government deficits and debt accumulation.
4. **Further** (verb) – Advance, promote, foster, broaden, expand, spread, extend आगे बढ़ाना
5. **Macroeconomic stability** (noun) – Macroeconomic stability exists when key economic relationships are in balance—for example, between domestic demand and output, the balance of payments, fiscal revenues and expenditure, and savings and investment.
6. **Quantum** (noun) – a share or portion. मात्रा
7. **Pause** (noun) – a temporary stop रोक
8. **In line with** (phrase) – In alignment or accord with. के अनुसार
9. **Stance** (noun) – attitude, stand, point of view, viewpoint, opinion, way of thinking रुख
10. **Monetary policy committee** (MPC) (noun) – it is responsible for fixing the benchmark interest rate in India. The meetings of the Monetary Policy Committee are held at least four times a year and it publishes its decisions after each such meeting.
11. **State** (noun) – Condition, situation स्थिति, हालत
12. **Dominant** (adjective) – predominant, chief, principal, leading, foremost प्रमुख
13. **Concern** (noun) – Anxiety, worry, apprehension fear चिंता
14. **Displaced** (adjective) – having been forced out of its usual or original position: विस्थापित
15. **Recession** (noun) – economic decline, downturn, depression, slump मंदी
16. **Debate** (noun) – Discussion, argument, dispute, deliberation बहस
17. **Turn out** (phrasal verb) – Emerge, transpire, come about, happen, become, come to pass उभरना, निकलना
18. **Shallow** (noun) – not having or showing serious or deep thought अगंभीर, उथला, ओछा (जो गंभीर या विचारशील न हो)
19. **Macroeconomic stability** (noun) – Macroeconomic stability exists when

- key economic relationships are in balance—for example, between domestic demand and output, the balance of payments, fiscal revenues and expenditure, and savings and investment.
20. **Entrenched** (adjective) – ingrained, established, deep-rooted, rooted, fixed
जमा हुआ
21. **Milestone** (noun) – turning point, historic event, major achievement
22. **Consumer price inflation** (noun) – The Consumer Price Index measures the overall change in consumer prices based on a representative basket of goods and services over time.
23. **Upper tolerance limit** (noun) – The Reserve Bank of India (RBI) upper tolerance level of inflation is 6 per cent
24. **Underway** (adjective) – ongoing, in progress, happening
25. **Current account deficit** (noun) – the shortfall between the money received by selling products to other countries and the money spent to buy goods and services from other nations
26. **On course** (phrase) – likely to achieve something; Following the planned or intended course. नियम के मुताबिक
27. **Prognosis** (noun) – prediction, forecast, prophecy, prognostication, projection पूर्वानुमान
28. **Somewhat** (adverb) – Rather, Slightly, Fairly, To some extent, To a certain degree, To a certain extent कुछ हद तक
29. **Optimistic** (adjective) – hopeful, positive, upbeat, bright, confident आशावादी
30. **Pace** (noun) – speed, rate, swiftness, quickness गति
31. **Monetary tightening** (noun) – Tightening of monetary policy is implemented when the inflation is rising rapidly. When monetary policy is tightened, the interest rates are increased by the Central bank
32. **Benchmark repo rate** (noun) – It is the interest rate at which the central bank of a country lends money to commercial banks
33. **Basis point** (noun) – 100 basis point = 1 %
34. **Established** (adjective) – well known, recognized, acclaimed, esteemed स्थापित, प्रमाणित
35. **Lag** (noun) – a delay in the period of time in which events happen: विलंबन
36. **Transmission** (noun) – sending something out or passing something

- on from one person, place or thing to another प्रसारण, संचारण
37. **Front-loaded interest** (noun) – the interest is front-loaded – meaning you pay more interest at the beginning of the loan and less at the end.
38. **Real economy** (noun) – the part of a country's economy that produces goods and services, rather than the part that consists of financial services such as banks, stock markets, etc
39. **Take its foot off the pedal** (phrase) – to make less effort and start to relax आराम करना
40. **Tilt** (verb) – incline or bend from a vertical position झुकना
41. **Onus** (noun) – responsibility, liability, obligation, duty, charge कर्तव्य/ जिम्मेदारी
42. **Stabilisation** (noun) – the process of becoming or being made unlikely to change, fail, or decline. स्थिरीकरण
43. **North Block** (noun) – Office of Ministry of Finance and the Home ministry
44. **Populist** (adjective) – trying to be popular with ordinary people and to represent their ideas and opinions लोकलुभावन
45. **Supposedly** (adverb) – Allegedly, apparently, purportedly, so it is said कथित रूप से/ माना जाता है कि
46. **Incentivise** (verb) – boost, encourage, stimulate, promote प्रोत्साहित करना
47. **De-risk** (verb) – to eliminate risk (from)
48. **Add to** (phrasal verb) – increase, magnify, amplify, augment, intensify बढ़ाना
49. **Demonstrate** (verb) – exhibit, display, show, illustrate, दिखाना
50. **Credibility** (noun) – trustworthiness, reliability, Integrity, acceptability विश्वसनीयता
51. **Icing on the cake** (phrase) – an unexpected additional good thing सोने पे सुहागा

Practice Exercise

Direction (Q1 – Q3): Select the best express synonym of the given words

[Editorial page]

1. **PROGNOSIS**

- A. Overzealous
- B. Prediction
- C. Marginal
- D. Rampant

2. **ONUS**

- A. Assessment
- B. Proceeding
- C. Responsibility
- D. Gamut

3. **CREDIBILITY**

- A. Trustworthiness
- B. Establish
- C. Imprison
- D. Furnish

4. **Idioms & Phrase**

Her irreverent chatter during the ceremony raised many people's eyebrows.

- A. To aim or direct something at someone or something
- B. To cause other people to react with surprise or mild disapproval
- C. To base an opinion or analysis on a specific piece of information
- D. To fail to include something or someone

5. **Direction: Two statements are given below, which are jumbled in any random order. These statements will form a coherent and meaningful paragraph, when arranged in the correct sequence. Arrange the sentences in the right order and answer the questions that follow.**

- (i) French President Emmanuel Macron's shuttle diplomacy between Russia and (A)/ Ukraine is one of the most significant interventions in the (B)/ crisis ever since tensions started soaring in Eastern Europe. (C)/
- (ii) Mr. Macron, who has held talks with Russian leader Vladimir Putin in Moscow and Ukraine President Volodymyr Zelensky in Kiev,(D)/ has said that both sides remain committed to the Minsk accords (2014-15),(E)/ aimed at ending the violence between Ukraine and Russia-backed separatists in the east;(F)/ Mr. Putin assured him that Russia would not escalate the crisis.(G)/

- A. ABC, EFDG
- B. DGFE, BAC
- C. BAC, FDEG
- D. FDGE, CBA
- E. None of the above

Direction (Q6 – Q9): Read the given sentences to find out whether there is any grammatical error in them

6. The teenager reassured (A)/ his father at the station (B)/ "Don't worry, Dad, (C)/ I will pull on very nicely at the hostel. (D)/ No Error(E)
7. The way(A)/ he is (B)/ behaving he'll soon spill the beans, (C)/ I am afraid (D)/ No Error(E)
8. Most of the developing countries (A)/ find it (B)/ difficult to cope up with the problems (C)/ created by technological progress. (D)/ No Error(E)
9. The call of the seas (A)/ have always (B)/ found(C)/ an echo in me. (D)/ No Error(E)
10. **Find out the misspelt word**
 - A. Antedilluvian
 - B. Imminent
 - C. Dilettante
 - D. Approbation

Direction: Read the passage given below and answer the following questions.

(The Hindu Editorial: An unfamiliar trope – Dec 06, 2022)

The **nerve-wracking** dance of fancied teams be it in triumph or defeat and the soul-uplifting flight of the underdog have all shimmered under Qatari skies. **(1)/** Qatar has managed to host this mega-event with minimal fuss even if whispers of human rights violations during the construction of the various stadiums continue to linger. **(2)/** The FIFA World Cup in Qatar continues to raise a dust of unpredictability. **(3)/** Football remains the greatest sport and over a fortnight, the ballet between twirling feet and the ball has caught global attention despite the footprints of a waning pandemic or the devastation of Russia's war against Ukraine. **(4)/** That sport cannot be a to the circumstances prevailing outside the grounds was emphasised when the Iranian men remained silent during the rendering of the national anthem ahead of their game. This act of b with the women fighting for equal rights back home, comes at a time when many athletes are wary of taking a political stance. The World Cup has come **(A)/** a long way from **(B)/** the inaugural edition in 1930 when **(C)/** host Uruguay emerged as the champion after defeating Argentina.**(D)/** That Uruguay crashed c now while Argentina remains alive, is another pointer to sporting evolution. The trope of South American and European nations being football's bulwarks is also changing.

The African and Asian nations believe that they are here to compete and not make up the numbers. The **exposure (A)** to the European leagues, the **adequate (B)** of a solid grass-roots structure and **prevalence (C)** coaching expertise have all combined to lend bite to the **efforts (D)** of Morocco, Senegal, Japan and South Korea. The quartet entered the pre-quarterfinals and kept the African and Asian flags flying high. Meanwhile, it is a d reality that India has never qualified for the World Cup.

Fill in the blanks with the most appropriate combinations of words

11. That sport cannot be _____ to the circumstances prevailing outside the grounds was emphasised when the Iranian men remained silent during the rendering of the national anthem ahead of their game.

Fill the most appropriate option in (a)

- (i) Incredible
- (ii) Enhanced
- (iii) Indignant
- (iv) Oblivious

A. Only (i) B. Only (ii) C. Only (iii) D. Both (ii) and (iv) E. None of the above

12. This act of _____ with the women fighting for equal rights back home, comes at a time when many athletes are wary of taking a political stance.

Fill the most appropriate option in (b)

- (i) Enigma
- (ii) Catharsis
- (iii) Solidarity
- (iv) Anguish

A. Only (i) B. Only (iii) C. Only (iv) D. Both (ii) and (iv) E. None of the above

13. That Uruguay crashed _____ now while Argentina remains alive, is another pointer to sporting evolution.

Fill the most appropriate option in (c)

- (i) Out
- (ii) In
- (iii) On
- (iv) Upon

A. Only (i) B. Only (ii) C. Only (iii) D. Both (i) and (ii) E. None of the above

14. Meanwhile, it is a _____ reality that India has never qualified for the World Cup.

Fill the most appropriate option in (d)

- (i) Painstaking
- (ii) Futile
- (iii) Sobering
- (iv) Notorious

A. Only (i) B. Only (iv) C. Only (iii) D. Both (iii) and (ii) E. None of the above

15. **The following sentence may or may not contain an error in one of its parts. Identify the part containing the error. If the sentence is correct, select 'No error' as your answers.**

The World Cup has come **(A)**/ a long way from **(B)**/ the inaugural edition in 1930 when **(C)**/ host Uruguay emerged as the champion after defeating Argentina.**(D)**/

- A. (A)
- B. (B)
- C. (C)
- D. (D)

E. No Error

16. **Rearrange the sentence to form a meaningful sentence.**

The nerve-wracking dance of fancied teams be it in triumph or defeat and the soul-uplifting flight of the underdog have all shimmered under Qatari skies. **(1)**/ Qatar has managed to host this mega-event with minimal fuss even if whispers of human rights violations during the construction of the various stadiums continue to linger. **(2)**/ The FIFA World Cup in Qatar continues to raise a dust of unpredictability. **(3)**/ Football remains the greatest sport and over a fortnight, the ballet between twirling feet and the ball has caught global attention despite the footprints of a waning pandemic or the devastation of Russia's war against Ukraine. **(4)**/

- A. 2341
- B. 1243
- C. 3142
- D. 3124
- E. 4321

17. Given below is a word, followed by three sentence that consist of that word. Identify the sentence (S) that best express (es) the meaning of the word. Choose option 5 'None of the above' if the word is not suitable in any of the sentence

NERVE-RACKING

- (i) My wedding was the most **nerve-racking** thing I've ever experienced.
- (ii) I had to go out and find a new job, which is always a **nerve-racking** experience.
- (iii) He was **nerve-racking** that the police were watching him.

- A. Only (i)
- B. Only (ii)
- C. Only (iii)
- D. (i), (ii)
- E. (ii), (iii)

18. **In the following question, a sentence is given with four words marked as (A), (B), (C), and (D). These words may or may not be placed in the correct order. Four options with different arrangements of these have been provided. Mark the option with the correct arrangement as the answer. If no rearrangement is required, mark option (5) as your answer.**

The **exposure (A)** to the European leagues, the **adequate (B)** of a solid grass-roots structure and **prevalence (C)** coaching expertise have all combined to lend bite to the **efforts (D)** of Morocco, Senegal, Japan and South Korea.

- A. A – D
- B. B – C
- C. C – D
- D. A – C
- E. No arrangement

19. In the following question, two statements and five connectors are given. Only one of the connectors from those given can be used to combine the given two statements into one sentence without changing the meaning. Choose that connector as your answer.

(i) The barber in my neighbourhood likes to talk to his customers

(ii) He gives them a haircut.

A. Unlike

B. Though

C. While

D. Otherwise

E. None of these

20. Fill the appropriate preposition in the given blanks

People have felt no respite _____ cold wave.

A. Of

B. From

C. Upon

D. To

Answers

1. B 2.C 3.A 4. B 5. E 6.D 7. C 8.C 9.B 10.A 11. E
 12. B 13.A 14. C 15. E 16. C 17.D 18. B 19.C 20.B **[Practice Exercise]**

Explanations

1. **Prognosis** (noun) – prediction, forecast, prophecy, prognostication, projection पूर्वानुमान
 - **Overzealous** (adjective) – extreme, fanatical, over-enthusiastic, extremist अति-उत्साही
 - **Marginal** (adjective) –slight, small, minimal, negligible, insignificant मामूली
 - **Rampant** (adjective) – uncontrolled, unrestrained, unchecked, widespread अनियंत्रित
2. **Onus** (noun) – responsibility, liability, obligation, duty, charge कर्तव्य/ जिम्मेदारी
 - **Assessment** (noun) – Calculation, judgment, estimation, consideration मूल्यांकन
 - **Proceeding** (noun) – course of action, action, step, measure, move कार्यवाही
 - **Gamut** (noun) – spectrum, range, scope, scale, extent विस्तार
3. **Credibility** (noun) – trustworthiness, reliability, Integrity, acceptability विश्वसनीयता
 - **Establish** (verb) – confirm, prove, verify, authenticate, corroborate सिद्ध करना
 - **Imprison** (verb) – detain, incarcerate, put in prison कैद करना
 - **Furnish** (verb) – Give , provide, deliver, hand over प्रस्तुत करना
4. **Raise eyebrow** (Phrase) – to cause other people to react with surprise or mild disapproval. अचरज में डालना
5. **ABC, DEFG**
 French President Emmanuel Macron’s shuttle diplomacy between Russia and Ukraine is one of the most significant interventions in the crisis ever since tensions started soaring in Eastern Europe. Mr. Macron, who has held talks with Russian leader Vladimir Putin in Moscow and Ukraine President Volodymyr Zelensky in Kiev, has said that both sides remain committed to the Minsk accords (2014-15), aimed at ending the violence between Ukraine and Russia-backed separatists in the east; Mr. Putin assured him that Russia would not escalate the crisis.
6. (D) 'pull on' के बदले 'stay' का प्रयोग होगा क्योंकि 'pull on' का अर्थ है 'सिगरेट से लम्बा साँस खींचना' जबकि 'stay at a hostel' का प्रयोग होता है। देखें-
 - i. While I'm studying in London, I'm staying at a student hostel.
 - 'stay' will be used instead of 'pull on' because 'pull on' means 'to take a long breath from a cigarette' while 'stay at a hostel' is used. see-
 - i. While I'm studying in London, I'm staying at a student hostel.

7. (C) 'he'll' के बदले 'will' का प्रयोग होगा क्योंकि Main Clause का Subject 'the way' है जिसके लिए Part (C) में Verb 'will' है, और इस Verb के लिए 'he' का प्रयोग अनावश्यक है; जैसे- i. The way he is behaving is not good.
- 'he'll' will be replaced with 'will' because the subject of Main Clause is 'the way' for which the Verb in Part (C) is 'will', and for this Verb the use of 'he' is unnecessary; As- i. The way he is behaving is not good.
8. (C) 'up' का प्रयोग अनावश्यक है क्योंकि 'cope with something' का प्रयोग होता है जिसका अर्थ है 'deal successfully with something difficult' अर्थात् 'सफलतापूर्वक किसी कठिन परिस्थिति का सामना करना, मुकाबला करना, हल निकालना'; जैसे-
- He cannot cope with these problems.
 - Desert plants are adapted to cope with extreme heat.
- Use of 'up' is unnecessary because 'cope with something' is used which means 'deal successfully with something difficult' i.e. 'successfully to face, cope, solve a difficult situation'; As-
 - He cannot cope with these problems.
 - Desert plants are adapted to cope with extreme heat.
9. (B) 'have' के बदले 'has' का प्रयोग होगा क्योंकि वाक्य का Subject 'The call' Singular है।
- 'Has' will be used instead of 'have' because the subject of the sentence is 'The call' singular.
10. **Antediluvian** (adjective) – Of or belonging to the time before the biblical Flood. पुराना
11. **Oblivious** (adjective) – unaware, heedless, unconcerned, unmindful. बेखबर
- **Incredible** (adjective) – remarkable, extraordinary, stunning, impressive, अविश्वसनीय
 - **Enhanced** (adjective) – improved, increased बढ़ा हुआ
 - **Indignant** (adjective) – Angry; especially as a result of something unjust or unworthy; insulted. क्रोधित
12. **Solidarity** (noun) – unity, unanimity, harmony, cooperation. एकजुटता
- **Enigma** (noun) – A mystery पहेली
 - **Catharsis** (noun) – Purification that brings emotional relief or renewal साफ़ हो जाना
 - **Anguish** (noun) – Agonizing physical or mental pain पीड़ा, वेदना
13. **Crash out** (phrasal verb) – to be eliminated from a competition; be defeated and leave competition पराजित होना
14. **Sobering** (adjective) – serious, subdued, far-reaching, grave, sober गंभीर
- **Painstaking** (adjective) – Extremely careful; taking pains श्रमसाध्य
 - **Futile** (adjective) – Useless; hopeless व्यर्थ, निष्फल

- **Notorious** (adjective) – Famous for something bad कुख्यात

15. No Error

16. (C) **3142**

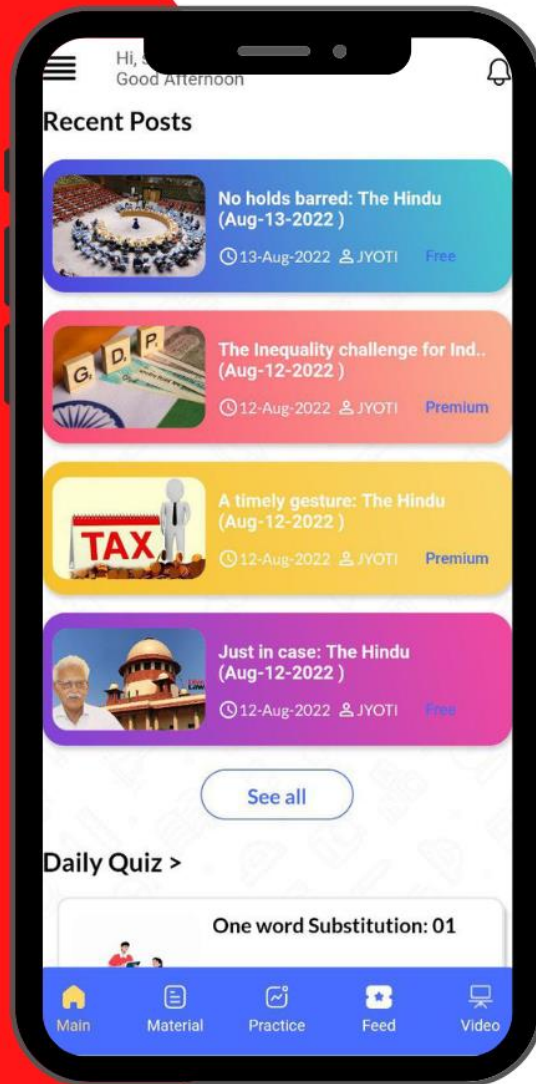
The FIFA World Cup in Qatar continues to raise a dust of unpredictability. The nerve-racking dance of fancied teams be it in triumph or defeat and the soul-uplifting flight of the underdog have all shimmered under Qatari skies. Football remains the greatest sport and over a fortnight, the ballet between twirling feet and the ball has caught global attention despite the footprints of a waning pandemic or the devastation of Russia's war against Ukraine. Qatar has managed to host this mega-event with minimal fuss even if whispers of human rights violations during the construction of the various stadiums continue to linger.

17. **Nerve-wracking** (adjective) – causing stress or anxiety; anxious, worrying, nervous, tense, panicky तनावपूर्ण

According to the given options only (i) AND (ii) are contextually correct.

Because the (iii) sentence is not giving any meaning and correct sentences should be like He was **unaware** that the police were watching him.

18. The exposure to the European leagues, the prevalence of a solid grass-roots structure and adequate coaching expertise have all combined to lend bite to the efforts of Morocco, Senegal, Japan and South Korea.
19. The barber in my neighbourhood likes to talk to his customers **while** he gives them a haircut



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