

Disconcerting dilation: On retail inflation hike

Untamed **inflation risks** hurting domestic consumption

Just five days after Reserve Bank of India Governor Shaktikanta Das **asserted** that inflation 'has shown signs of **moderation** and the worst is behind us', Monday's **release** of **Consumer Price Index (CPI)** estimates for January **revealed** a disconcerting **reversal** in price gains trend. **Headline retail inflation**, which had **steadily eased** over the last quarter of 2022 from September's five-month high of 7.4%, **quicken**ed by 80 **basis points** last month to 6.5%. **Propelling** the **acceleration** was a 175 basis-points jump in food prices, with inflation measured by the Consumer Food Price Index, quickening to 5.94%, from December's 4.19%. **Adding to** the **disquiet** is the fact that inflation had already been at an **elevated** 6% in January 2022, **implying** that the year-on-year increase was **sans** a favourable **base effect** and **entirely** due to an **upsurge** in the **momentum** of price gains. Food prices **climbed across the board**, with vegetables being the **solitary** item in the CPI's 12-member food and **beverages** sub-group to **post** a year-on-year **deflation** of 11.7% as winter supply **outstripped** demand. **Cereals**, which include rice and wheat and carries the heaviest **weight** of almost 10% in the sub-group, **logged** a 16.1% jump in prices, and milk and dairy products, the second-heaviest, saw prices gain by 8.79%. **Policymakers** must be particularly worried about the 2.6% month-on-month dilation in cereal prices, more so because this **disproportionately** impacts rural **households**, which spend a larger share of their income on food. With a 12.4% weight in the rural consumption basket, cereal prices **fueled** January's overall rural headline inflation at an even quicker 6.85% **pace**.

The surprise **reversal** in price trends suggests **inflationary expectations** in the economy **are nowhere near anchored** and will **necessitate** further policy action both from the RBI and **fiscal authorities**. **To be sure**, Mr. Das last week not only announced a 25 basis-points interest rate increase but also **committed** the RBI to **enacting** policy that ensures a **durable disinflation**. With core inflation, or price gains that **strip out** the impact of food and fuel prices, remaining **stubbornly stuck** above 6% and in fact **inching up** last month to 6.23%, from December's 6.22%, policymakers face the challenge of targeting the components of the inflationary trend that can be **addressed** by raising **credit costs** and **tamping down** on demand. **Given** that inflation in several key services categories including health and personal care is running well above **the RBI's upper bound** of 6%, with prices continuing to **harden**, the Centre and States must **mull** measures including **rationalisation of GST rates** to help **ease** the inflationary burden on the economy. With **overseas** demand set to stay weak this year, **untamed** inflation risks hurting domestic consumption and **thereby** overall economic growth. **[Practice Exercise]**

- Red/blue coloring of words in the sentence indicates subject verb relationship; where 'red' denotes 'subject' and 'blue' denotes 'verb'.

Vocabulary

1. **Disconcerting** (adjective) – disturbing, upsetting, confusing, unsettling, discomfiting
चिंताजनक
2. **Dilation** (noun) – Expansion, increase, stretching, distention फैलाव
3. **Retail inflation** (noun) – The CPI monitors retail prices at a certain level for a particular commodity; price movement of goods and services at rural, urban and all-India levels. The change in the price index over a period of time is referred to as CPI-based inflation, or retail inflation
4. **Hike** (noun) – Increase बढ़ोतरी
5. **Untamed** (adjective) – uncontrollable अनियंत्रित
6. **Hurt** (verb) – harm, damage, weaken, mar, impair नुकसान पहुंचाना/ प्रभावित करना
7. **Assert** (verb) – declare, affirm, state, claim, aver जोर देकर कहना
8. **Moderation** (noun) – reduction, diminishing, lessening, decrease, contraction कमी/नरमी
9. **Consumer price index** (CPI) (noun) – it measures changes over time in the general level of prices of goods and services that a reference population acquires, uses or pays for consumption.
10. **Reveal** (verb) – divulge, disclose, tell, make known, make public खुलासा करना
11. **Reversal** (noun) – alteration, changing उलट, उलटाव
12. **Headline** (adjective) – denoting or relating to a rate of inflation based on the consumer price index and reflecting all changes to the cost of living that an economy may undergo
13. **Steadily** (adverb) – constantly, consistently, regularly, continuously, continually लगातार
14. **Ease** (verb) – reduce, alleviate, lessen कम होना
15. **Quicken** (verb) – Accelerate, pick up speed, speed up, increase बढ़ना
16. **Basis point** (noun) – 100 basis point = 1%
17. **Propel** (verb) – push, move forwards, push forwards, move आगे बढ़ाना, ठेलना
18. **Acceleration** (noun) – quickening, speeding up, increase तेज़ी
19. **Add to** (phrasal verb) – increase, magnify, amplify, augment, intensify बढ़ाना
20. **Disquiet** (noun) – Unrest, Uneasiness, Concern, Worry, Anxiety, Alarm अशांति/ बेचैनी की स्थिति
21. **Elevated** (adjective) – Increased, raised, lifted बढ़ा हुआ
22. **Imply** (verb) – suggest, indicate, mean, intimate, insinuate संकेत करना, सूचित करना

23. **Sans** (preposition) – without, less, deprived
of के बिना
24. **Base effect** (noun) – The base effect relates to inflation in the corresponding period of the previous year, if the inflation rate was too low in the corresponding period of the previous year, even a smaller rise in the Price Index will arithmetically give a high rate of inflation now.
25. **Entirely** (adverb) – absolutely, completely, totally पूरी तरह से
26. **Upsurge** (noun) – a rapid increase in something उछाल
27. **Momentum** (noun) – impetus, energy, impulse, speed, velocity गति
28. **Climb** (verb) – increase, rise, soar, hike बढ़ना
29. **Across the board** (phrase) – involving or affecting all groups, members, cases, etc एक समान रूप से
30. **Solitary** (noun) – lone, single, अकेला
31. **Beverage** (noun) – Any liquid suitable for drinking पेय पदार्थ
32. **Post** (verb) – to announce, display, record दर्ज करना
33. **Deflation** (noun) – reduction of the general level of prices in an economy. अपस्फीति
34. **Outstrip** (verb) – exceed; surpass, overshadow, outdo, outperform आगे निकल जाना, बढ़ जाना
35. **Cereal** (noun) – grain, oatmeal, corn, wheat अन्न
36. **Weight** (noun) – It refers to what weightage something carries out of the total. For example:- in an exam there is 5 subject of total marks 100 out of which English subject 20 marks so the weightage of English is 20%.
37. **Log** (verb) – record, register, enter दर्ज करना
38. **Policymaker** (noun) – A person responsible for or involved in formulating policies, especially in politics. नीति निर्माता
39. **Disproportionately** (adverb) – Excessively, unreasonably, too, overly, suspiciously असमान रूप से
40. **Household** (noun) – all the people who live in one house and the work, money, organization, etc. that is needed to look after them परिवार
41. **Fuel** (verb) – Increase, stimulate, promote, invigorate, add to बढ़ाना
42. **Pace** (noun) – speed, rate, swiftness, quickness गति
43. **Reversal** (noun) – alteration, changing उलट, उलटाव
44. **Inflationary expectation** (noun) – Inflationary pressures refers to the demand

- and supply-side pressures that can cause a rise in the general price level
45. **Nowhere near** (phrase) – not nearly.
46. **Anchored** (adjective) – fastened, fixed, secured स्थिर
47. **Necessitate** (verb) – require, involve, demand, need, entail ज़रूरी बनाना
48. **Fiscal authority** (noun) – Finance ministry
49. **To be sure** (phrase) – Certainly, ensure, make sure निश्चित रूप से
50. **Commit** (verb) – Obligate, pledge, promise, compel प्रतिबद्ध करना
51. **Enact** (verb) – make policy, pass, approve, ratify, validate, sanction नीति बनाना
52. **Durable** (adjective) – strong, lasting, stable, persistent टिकाऊ/ स्थायी
53. **Disinflation** (noun) – a slowdown in the rate at which prices increase विस्फीति
54. **Strip out** (phrasal verb) – Remove, exclude, हटाना/ अलग करना
55. **Stubbornly** (adverb) – obstinately, inflexibly, obdurately, intractably हठपूर्वक
56. **Stuck** (adjective) – Fixed, caught, immovable, jammed अटका हुआ
57. **Inch up** (phrasal verb) – to move/ progress/increase very slowly or in a lot of short stages
58. **Address** (verb) – tackle, see to, deal with, confront, grapple with सुलझाना, निपटाना
59. **Credit cost** (noun) – it includes Interest on loans.
60. **Tamp down** (phrasal verb) – to reduce the amount, level of something:
61. **Given** (preposition) – considering, taking into account, bearing in mind देखते हुए
62. **The RBI's Upper bound** (noun) – Upper tolerance limit of inflation (i.e. 6%)
63. **Harden** (verb) – if prices or share prices harden, they increase, reinforce तेजी आना
64. **Mull** (verb) – ponder, consider, think about, think over, reflect on विचार करना
65. **Rationalisation of tax rate** (noun) – restructuring of the tax policy through which the efficiency of the policy can be increased
66. **Ease** (verb) – reduce, alleviate, lessen कम करना
67. **Overseas** (adjective) – In a foreign country विदेशी
68. **Thereby** (adverb) – thus, therefore, in this way, consequently, hence जिसके चलते

Practice Exercise

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

[Editorial page]

1. **Untamed** inflation risks hurting domestic consumption
 - A. Uncontrolled
 - B. Concerted
 - C. Widespread
 - D. Wacky
2. Adding to the **disquiet** is the fact that inflation had already been at an elevated 6% in January 2022, implying that the year-on-year increase was sans a favourable base effect and entirely due to an upsurge in the momentum of price gains.
 - A. Multi-faceted
 - B. Unrest
 - C. Revered
 - D. Abandoned
3. The Centre and States must **mull** measures including rationalisation of GST rates to help ease the inflationary burden on the economy.
 - A. Symbolism
 - B. Gesture
 - C. Ponder
 - D. Projection
4. **Idioms & Phrase**
 It was his **wild goose chase** to expect any help from not very useful.
 - A. To maintain strict or tight control over someone or something
 - B. To take strong action to stop something
 - C. A fruitless attempt
 - D. A situation that involves a variety of things, esp. good things mixed with bad things
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) the Tamil Nadu urban local body polls is(A)/ the victory of the ruling DMK front in(B)/ a resounding mandate across corporations, municipalities and town panchayats(C)
 - (ii) the string of successes is(D)/ an endorsement of(E)/ though the Opposition was splintered,(F)/ the governance in the last nine months(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 celebrations continue (A)/ through the evening as more (B)/ and more friends joins (C)/ in the fun and frolic. (D)/ no error(E)
7. The actress believes in (A)/ being fit and feels that there (B)/ are too much hip around size zero (C)/ in the entertainment world. (D)/no error(E)
8. While the actress wins fans for (A)/ herself on screen fireworks it's her (B)/ down to earth attitude and easy going manner (C)/ that wins her friends. (D)/ no error(E)
9. Even though the exchange attract (A)/ the attention of all those present at (B)/ the police station, the inspector continued (C)/ his tirade against the girl. (D)/ no error(E)
10. **Find out the misspelt word**
 - A. Whimsical
 - B. Dismisal
 - C. Acquisition
 - D. Reimbursement

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

(The Hindu Editorial: Beyond weapons – Dec 24, 2022)

The Patriot missile system is expected to strengthen Ukraine's air defences at a time when Russia is bombarding the energy grid and water supplies.(1)/ The U.S. supply of long-range missiles (HIMARS) has played a major role in Ukraine's recent battlefield advances in Kharkiv and Kherson, after its heavy losses in Donbas.(2)/Ukraine President Volodymyr Zelensky's visit to Washington, his first overseas travel since Russia's invasion on February 24, and the Biden administration's decision to send a new \$1.8 billion military aid package, including Patriot missile defence systems and precision-guided missiles, are a **testament** to the deep relationship Ukraine and the U.S. share in the time of war. (3)/ Ukraine has already received American financial and military funding from approved assistance worth around \$54 billion.(4)/In Washington, President Joe Biden discussed a 10-point **cracks(A)** formula with Mr. Zelensky (the details are unknown) and also **promised(B)** continued support "for as long as it takes". Both leaders tried to send out a message of unity amid concerns of **peace(C)** in the western alliance as the war is continuing indefinitely with its **massive(D)** economic costs. The U.S. has gradually stepped up its supply of weapons to Ukraine, but is still wary a sending offensive weapons out of fears of escalating the conflict. Ukraine has b campaigned for more advanced weapons, including U.S. aircraft, tanks and long-range tactical missiles. While Mr. Biden said his administration would(A)/ continue to back Ukraine,(B)/ he also warned of the risks of sending offensive weapons to Ukraine,(C)/ which could "break up NATO, the EU and the rest of world".(D)/ Currently, Ukraine has a battlefield advantage, recapturing c of territories in the northeast and south. But Russia has air superiority. The Patriot missiles could offer some protection to Ukraine but could also prompt Russia to carry out heavier attacks. This leaves Mr. Biden in a d .

Fill in the blanks with the most appropriate combinations of words

11. The U.S. has gradually stepped up its supply of weapons to Ukraine, but is still wary a sending offensive weapons out of fears of escalating the conflict.

Fill the most appropriate option in (a)

- (i) Of

- (ii) To
- (iii) On
- (iv) With

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

12. Ukraine has _____b_____ campaigned for more advanced weapons, including U.S. aircraft, tanks and long-range tactical missiles.

Fill the most appropriate option in (b)

- (i) Desperately
- (ii) Certainly
- (iii) Relentlessly
- (iv) Decisively

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

13. Currently, Ukraine has a battlefield advantage, recapturing _____c_____ of territories in the northeast and south.

Fill the most appropriate option in (c)

- (i) Negotiation
- (ii) Standing
- (iii) Swathes
- (iv) Sentiment

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

14. This leaves Mr. Biden in a _____d_____.

Fill the most appropriate option in (d)

- (i) Lag
- (ii) Dilemma
- (iii) Quandary
- (iv) Dissension

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.**

While Mr. Biden said his administration would(A)/ continue to back Ukraine,(B)/ he also warned of the risks of sending offensive weapons to Ukraine,(C)/ which could "break up NATO, the EU and the rest of world".(D)/

- A. (A)
- B. (B)
- C. (C)
- D. (D)
- E. No Error

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

The Patriot missile system is expected to strengthen Ukraine's air defences at a time when Russia is bombarding the energy grid and water supplies.**(1)**/ The U.S. supply of long-range missiles (HIMARS) has played a major role in Ukraine's recent battlefield advances in Kharkiv and Kherson, after its heavy losses in Donbas.**(2)**/Ukraine President Volodymyr Zelensky's visit to Washington, his first overseas travel since Russia's invasion on February 24, and the Biden administration's decision to send a new \$1.8 billion military aid package, including Patriot missile defence systems and precision-guided missiles, are a testament to the deep relationship Ukraine and the U.S. share in the time of war. **(3)**/ Ukraine has already received American financial and military funding from approved assistance worth around \$54 billion.**(4)**/

- A. 2341
- B. 1243
- C. 2134
- D. 3421
- 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

TESTAMENT

- (i) In contrast, women gradually became more active as executors of **testaments** written by men.
 - (ii) We need courage to recognize these as far more useful for life in the role of **testaments** and 'witnesses'.
 - (iii) This article will give clear instructions for making a last will and **testament**.
- A. Only (i)
 - B. Only (ii)
 - C. Only (iii)
 - D. (i), (ii)
 - E. All are correct
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.
- In Washington, President Joe Biden discussed a 10-point **cracks(A)** formula with Mr. Zelensky (the details are unknown) and also **promised(B)** continued support "for as long as it takes". Both leaders tried to send out a message of unity amid concerns of **peace(C)** in the western alliance as the war is continuing indefinitely with its **massive(D)** economic costs.
- A. A – D
 - B. B – A
 - 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) Going out with Kamal has its risks,
(ii) being with Johan is as easy as falling off a log
- A. However
B. Although
C. Yet
D. By comparison
E. None of these

20. Fill the appropriate preposition in the given blanks

Do not **confide** your secrets _____ unreliable friends.

- A. Of
B. In
C. Upon
D. To

Answers

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

Explanations

- Untamed** (adjective) – uncontrollable अनियंत्रित
 - Concerted** (adjective) – strenuous, vigorous; collective, combined, ठोस
 - Widespread** (adjective) – extensive, prevalent, general, common, pervasive व्यापक
 - Wacky** (adjective) – eccentric, erratic, or unpredictable
- Disquiet** (noun) – Unrest, Uneasiness, Concern, Worry, Anxiety, Alarm अशांति/ बेचैनी की स्थिति
 - Multi-faceted** (adjective) – having many different aspects बहुआयामी
 - Revered** (adjective) – Respected, admired, esteemed, honoured, venerated, sacrosanct, holy पूज्य
 - Abandoned** (adjective) – deserted, forsaken, cast aside, cast off परित्यक्त/ त्यागा हुआ
- Mull** (verb) – ponder, consider, think about, think over, reflect on विचार करना
 - Symbolism** (noun) – the use of symbols to represent things प्रतीकवाद
 - Gesture** (noun) – action, deed, act, move; signal, indication, इशारा, संकेत
 - Projection** (noun) – estimate, forecast, prediction, calculation, prognosis, अनुमान
- Wild goose Chase (phrase)** – a fruitless attempt निष्फल प्रयास
- BAC, FDEG**
 The victory of the ruling DMK front in the Tamil Nadu urban local body polls is a resounding mandate across corporations, municipalities and town panchayats. Though the Opposition was splintered, the string of successes is an endorsement of the governance in the last nine months.
- (C) 'joins' के बदले 'join' का प्रयोग होगा क्योंकि इसका subject 'friends' plural है।
 - 'join' will be used instead of 'joins' because its subject 'friends' is plural.
- (C) 'are' के बदले 'is' का प्रयोग होगा क्योंकि 'there' के साथ प्रयोग में आने वाला verb उसके बाद प्रयुक्त noun या pronoun के number तथा person पर निर्भर करता है और दिए गए वाक्य में 'there' के बाद आने वाला noun 'hip' singular है।
 - 'is' will be used instead of 'are' because the verb used with 'there' depends on the number and person of the noun or pronoun used after that and what comes after 'there' in the given sentence The noun 'hip' is singular.

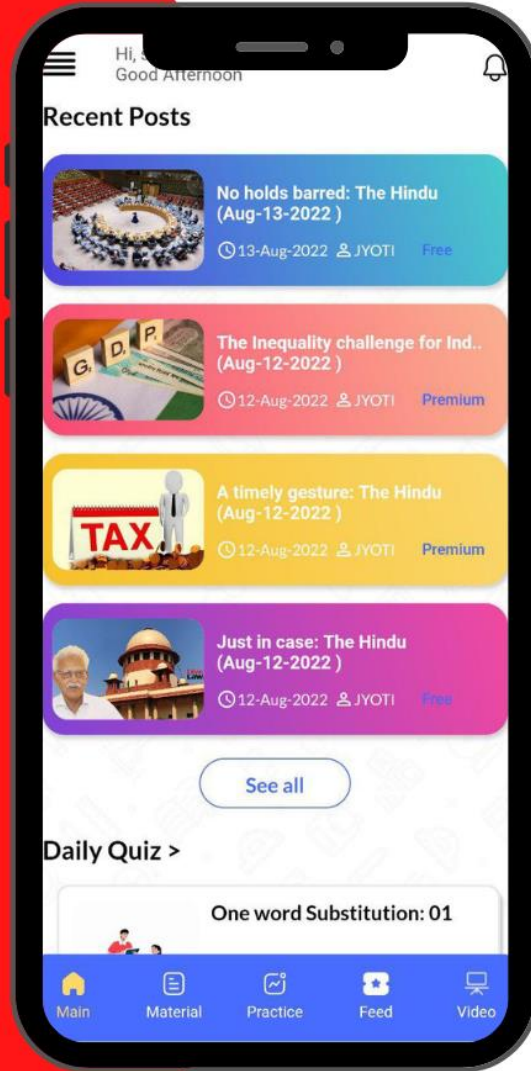
8. (D) 'wins' के बदले 'win' का प्रयोग होगा क्योंकि relative pronouns 'who, which, that' के बाद आनेवाला verb उसके antecedent के number तथा person पर निर्भर करता है और प्रश्न में दिए गए वाक्य में relative pronoun 'that' का antecedent '...attitude and.... manner' plural है।
- 'win' will be used in place of 'wins' because the verb that comes after relative pronouns 'who, which, that' depends on the number and person of its antecedent and 'relative pronoun' in the sentence given in the question that of antecedent '...attitude and.... manner' is plural.
9. (A) 'attract' के बदले 'attracted' का प्रयोग होगा क्योंकि वाक्य में दी गई घटना past की है और part(c) में प्रयुक्त verb 'continued' भी past tense में है।
- 'attracted' will be used instead of 'attract' because the event given in the sentence is past and the verb 'continued' used in part (c) is also in past tense.
10. **Dismissal** (noun) – Removal from office, sacking, removal, discharge, the sack पदच्युति, बरखास्तगी
11. **Wary** (of) (verb) – careful because you are uncertain or afraid of somebody/something सावधान (किसी व्यक्ति या वस्तु के प्रति अनिश्चय या भय के कारण), सतर्क, चौकन्ना, खबरदार
12. **Relentlessly** (adverb) – Persistently, unremittingly, inexorably, obstinately, insistently लगातार
- Desperately** (adverb) – Badly, greatly, dreadfully, urgently, very much, to a great extent अत्यावश्यकतापूर्वक
 - Certainly** (adverb) – Surely, definitely, undoubtedly, absolutely निश्चित रूप से
 - Decisively** (adverb) – Conclusively, definitively, finally निर्णायक रूप से
13. **Swathe** (noun) – a broad strip or area of something. विशाल क्षेत्र
- Negotiation** (noun) – discussions, talks, consultation बातचीत
 - Standing** (noun) – status, position, reputation, rank स्थिति, प्रतिष्ठा
 - Sentiment** (noun) – opinion, view, attitude भावना
14. **Dilemma** (noun) – quandary, problem, difficulty, plight दुविधा
- Lag** (noun) – a delay in the period of time in which events happen: विलंबन
 - Dissension** (noun) – disagreement that leads to discord. कलह, मतभेद
15. **No Error**
16. (D) **3421**
- Ukraine President Volodymyr Zelensky's visit to Washington, his first overseas travel since Russia's invasion on February 24, and the Biden administration's decision to send a new \$1.8 billion military aid package, including Patriot missile defence systems and precision-guided missiles, are a testament to the deep relationship Ukraine and the U.S. share in the time of war. Ukraine has already received American financial and military funding from approved

assistance worth around \$54 billion. The U.S. supply of long-range missiles (HIMARS) has played a major role in Ukraine's recent battlefield advances in Kharkiv and Kherson, after its heavy losses in Donbas. The Patriot missile system is expected to strengthen Ukraine's air defences at a time when Russia is bombarding the energy grid and water supplies.

17. **Testament** (noun) – testimony, evidence, proof, attestation, गवाही/ प्रमाण

According to the given options all are contextually correct.

18. In Washington, President Joe Biden discussed a 10-point peace formula with Mr. Zelensky (the details are unknown) and also promised continued support "for as long as it takes". Both leaders tried to send out a message of unity amid concerns of cracks in the western alliance as the war is continuing indefinitely with its massive economic costs.
19. Going out with Kamal has its risks, **By comparison**, being with Johan is as easy as falling off a log.



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