

Punjab National Bank

Probationary Officers' Recruitment Exam

February 2005 Question Paper (Fully Solved)

ENGLISH LANGUAGE

Directions (Qs. 1 to 10) : Pick out the most effective word/group of words from those given to fill in the blanks to make the sentence meaningfully complete.

1. Integrity of character, honesty, dependability and discipline _____ with a genuine interest in your work will go a long way for achieving success.
 - (1) Coupled
 - (2) Adjoined
 - (3) Fixed
 - (4) Attached
 - (5) Entrusted
2. Drinking too much _____ one's judgement.
 - (1) Imposes
 - (2) Impels
 - (3) Impairs
 - (4) Impedes
 - (5) Effects
3. For quite a long time he bore the burden but finally he had to _____.
 - (1) Yield
 - (2) Reconcile
 - (3) Leave
 - (4) Succumb
 - (5) Refuse
4. The suspect was taken to the police, but the _____ revealed nothing.
 - (1) Investigation
 - (2) Inquiry
 - (3) Probe
 - (4) Interrogation
 - (5) Attempt
5. The History Professor _____ a great respect from his students by virtue of his mastery over his subject.
 - (1) Commanded
 - (2) Acquired
 - (3) Attained
 - (4) Observed
 - (5) Expected
6. When I first met Sudha _____ as a lecturer in the college.
 - (1) She was working
 - (2) She working
 - (3) She had been working
 - (4) Must have been working
 - (5) She has been working
7. I felt very proud _____ myself.
 - (1) For
 - (2) Of
 - (3) With
 - (4) At
 - (5) On
8. I have just _____ reading an interesting novel.
 - (1) Been
 - (2) Completely
 - (3) Finished
 - (4) Start
 - (5) Over
9. I felt so _____ that I couldn't sleep.
 - (1) Exciting
 - (2) Excited
 - (3) Exciting as such
 - (4) Excited for
 - (5) Excited with
10. The three men _____ for an hour.
 - (1) Are playing
 - (2) Had been playing

- (3) Have been playing
- (4) Were played
- (5) Will have been playing

Directions (Qs. 11 to 25) : Read the following passage carefully to answer the questions given below it. Certain words/expressions are given in bold in the passage to help you locate them while answering some of the questions.

Though commercial banking of the western type has been of recent development in India, banking as such has not been unknown for India. From very ancient days indigenous banking as different from the modern western banking had been organised in the form of family or individual business. The indigenous bankers have been variously called as Shroffs, Seths, Sahukars, Mahajans, Chettis, etc. in different parts of the country. They vary in their size from petty money-lenders to substantial shroffs who carry on large and specialised business which at times exceeds that of the scheduled banks.

The **indigenous** bankers lend money, act as **money changers** and finance the internal trade of India by means of hundis or internal bills of exchange.

The business of the indigenous bankers is generally a family concern. They employ their own working capital. These indigenous bankers do not generally get deposits from the public but in some exceptional cases some of them do accept deposits against all kinds of securities such as gold, jewellery, land, promissory notes, hundis, etc. They lend against personal credit of the borrowers. They also buy and sell remittances and discount hundis. In regard to their banking business they still follow their traditional methods; they keep accounts according to the **vernacular** system and their principal instrument is the hundi which is the internal bill of exchange drawn up in **flowery language** and which carries a high rate of interest ranging from 9 to 12 percent.

The indigenous bankers do not normally have contacts with the other banking institutions in the country; the main reason for this is that they generally depend upon their own funds.

Among the various defects mentioned about this form of banking, we may emphasise the following :

(a) They are unorganised and do not have any contact with the other sections of the banking world.

(b) They combine banking with trading and commission business and thus they have introduced trade risks into their banking business.

(c) They do not distinguish between short-term and long-term finance and also between the purposes of finance.

(d) They follow vernacular methods of keeping accounts. They do not give receipts in most cases and the interest which they charge is out of proportion to the rates of interest charged by the other banking institutions in the country.

In spite of all these defects, they occupy a very prominent position in the money market in the country.

Despite the predominant role played by the indigenous bankers in India's economic life, they have always remained outside the **pale** of organised banking. As early as 1931, the Central Banking Enquiry Committee emphasised the necessity to unify the two sectors of the Indian money market and recommended the linking of the indigenous bankers with RBI when the latter was created. The Committee specially recommended that appropriate steps should be taken to evolve a modern bill market of the western type in which the hundi, the traditional bill of exchange used by the indigenous bankers, would figure actively.

Since 1935, when RBI was started, many attempts were made by the Bank to bring the indigenous bankers under its **orbit**. RBI issued a draft scheme for direct linking of these bankers. RBI suggested that the indigenous bankers