

Mock Test

Q.1. The following question contains a sentence with a blank. Choose the most appropriate word or phrase from the given options that can most suitably replace the blank in the sentence.

The committee's provisional endorsement should not be _____ as an irrevocable commitment to fund the project.

(a) construed (b) suspended

(c) dispersed (d) waived

(e) retrieved

Q.2. The following question contains a sentence with a blank. Choose the most appropriate word or phrase from the given options that can most suitably replace the blank in the sentence.

The revised disclosure norms are intended to _____ the information asymmetry between retail investors and institutional participants.

(a) perpetuate

(b) mitigate

(c) fabricate

(d) subordinate

(e) evade

Q.3. The following question contains a sentence with a blank. Choose the most appropriate word or phrase from the given options that can most suitably replace the blank in the sentence.

Because the evidence was inconclusive, the chairperson remained _____ about attributing the losses to a single control failure.

(a) dogmatic

(b) circumspect

(c) indifferent

(d) unanimous

(e) sporadic

Q.4. The following question contains a sentence with a blank. Choose the most appropriate word or phrase from the given options that can most suitably replace the blank in the sentence.

During the repayment holiday, unpaid interest will _____ unless the borrower services it separately.

(a) depreciate

(b) accrue

(c) dissolve

(d) reconcile

(e) exempt

Q.5. The following question contains a sentence with a blank. Choose the most appropriate word or phrase from the given options that can most suitably replace the blank in the sentence.

Repeated revisions to the forecast began to _____ the credibility of management's public guidance.

(a) fortify

(b) emulate

(c) erode

(d) reconcile

(e) ratify

Directions: Rearrange the following sentences to form a meaningful paragraph.

(A) This implicit reassurance can, however, weaken depositors' incentive to distinguish prudent banks from reckless ones.

(B) Deposit insurance was designed to prevent panic by assuring small savers that protected funds would not disappear if a bank failed.

(C) Regulators therefore combine insurance with supervision, risk-based premiums, and resolution rules intended to curb moral hazard.

(D) Without such safeguards, the stability purchased by a guarantee may encourage the very risk-taking it was meant to contain.

(E) By reducing fear-driven withdrawals, such schemes can stop trouble at one institution from triggering a system-wide run.

Q.6. Which sentence should appear FIRST after rearrangement?

(a) A

(b) B

(c) C

(d) D

(e) E

Q.7. Which sentence should appear SECOND after rearrangement?

(a) A

(b) B

(c) C

(d) D

(e) E

Q.8. Which sentence should appear THIRD after rearrangement?

(a) A

(b) B

(c) C

(d) D

(e) E

Q.9. Which sentence should appear FOURTH after rearrangement?

(a) A

(b) B

(c) C

(d) D

(e) E

Q.10. Which sentence should appear FIFTH after rearrangement?

(a) A

(b) B

(c) C

(d) D

(e) E

Q.11. In the question below, a sentence is given with four words highlighted. These four words may not be in their correct position. The sentence is then followed by options with the correct combination of words that should replace each other in order to make the sentence grammatically and contextually correct. Find the correct combination of the words that replace each other.

To reduce procyclical lending, the framework seeks to reward (A) capital buffers during expansions and build (B) banks that release (C) them when conditions deteriorate (D).

(a) A-B

(b) B-C

(c) A-D and B-C

(d) C-D

(e) No interchange required

Q.12. In the question below, a sentence is given with four words highlighted. These four words may not be in their correct position. The sentence is then followed by options with the correct combination of words that should replace each other in order to make the sentence grammatically and contextually correct. Find the correct combination of the words that replace each other.

Despite the bond's high rating, investors should not assume that its liquidity(A) is negligible(B) while its default risk(C) is ample(D).

(a) A-C

(b) B-D

(c) A-B and C-D

(d) A-D

(e) No interchange required



Q.13. In the question below, a sentence is given with four words highlighted. These four words may not be in their correct position. The sentence is then followed by options with the correct combination of words that should replace each other in order to make the sentence grammatically and contextually correct. Find the correct combination of the words that replace each other.

By publishing granular data, the regulator hoped to conceal(A) market discipline and expose(B) practices that weak institutions might otherwise encourage(C) through opaque disclosures(D).

(a) A-B

(b) B-D

(c) A-C

(d) A-D and B-C

(e) No interchange required

Q.14. In the question below, a sentence is given with four words highlighted. These four words may not be in their correct position. The sentence is then followed by options with the correct combination of words that should replace each other in order to make the sentence grammatically and contextually correct. Find the correct combination of the words that replace each other.

The revised model gives greater weight to recent observations because older data may amplify(A) current conditions and obscure(B) structural breaks, thereby reducing(C) rather than increasing(D) forecast error.

(a) A-B

(b) C-D

(c) A-C and B-D

(d) A-B and C-D

(e) No interchange required

Q.15. A phrase has been given in the question and used in the sentences below. Identify the statements where the phrase has been used in a contextually and grammatically correct manner.

At odds with

(I) The revised revenue estimate is at odds with the assumptions underlying the approved budget.

(II) The analyst calculated the liquidity ratio at odds with a spreadsheet.

(III) Granting an exception without documented reasons would be at odds with the bank's stated policy.

(a) Only (I) (b) Only (II) (c) Both (I) and (II)
(d) Both (I) and (III) (e) All of these

Q.16. In the question below, a few phrases are given in two columns. Choose the best possible combination of phrases as the answer from the given options, in order to form a meaningful sentence.

COLUMN I	COLUMN II
(A) Unless banks strengthen their cyber controls,	(D) until the independent valuation was completed.
(B) The committee deferred approval	(E) although based on conservative assumptions,
(C) The revised forecast,	(F) minor breaches may escalate into systemic disruptions.

(a) A-D and B-F (b) A-F and B-D

(c) B-E and C-D (d) A-E, B-D and C-F

(e) None of the above

Q.17. In the question below, a few phrases are given in two columns. Choose the best possible combination of phrases as the answer from the given options, in order to form a meaningful sentence.

COLUMN I	COLUMN II
(A) Notwithstanding a decline in headline inflation,	(D) because projected cash flows could not support the requested loan.
(B) If the collateral is revalued conservatively,	(E) underlying price pressures remained uncomfortably broad.
(C) The bank rejected the application	(F) the loan-to-value ratio may breach the internal ceiling.

(a) A-D and B-E (b) A-E and C-F

(c) B-F only (d) A-E, B-F and C-D

(e) None of the above



Q.18. In each question, a phrasal verb is provided. Identify the sentence(s) in which the phrasal verb has been used correctly.

Bear out

(I) The transaction records bear out the whistle-blower's allegation that approvals were bypassed.

(II) Subsequent inflation data bore out the central bank's cautious forecast.

(III) The courier bore out the signed documents before the branch closed.

(a) Only (I) (b) Only (II)

(c) Both (I) and (II) (d) Both (II) and (III)

(e) All (I), (II), and (III)

Q.19. In each question, a phrasal verb is provided. Identify the sentence(s) in which the phrasal verb has been used correctly.

Draw on

(I) The negotiator drew on her experience of earlier restructurings to propose a workable compromise.

(II) The company drew on its unused credit line to meet an unexpected tax liability.

(III) After several objections, the meeting drew on a unanimous conclusion.

(a) Only (I) (b) Only (II)

(c) Both (I) and (II) (d) Both (II) and (III)

(e) All (I), (II), and (III)

Q.20. In the question below, four sentences have been given. Out of four sentences, one sentence is error-free. Find out which of the following sentences is error-free. If all the given sentences have errors, then choose option 'All are incorrect' as your answer choice.

(a) Throughout the entire year, there was scarcely a single day without any incidence of politically motivated violence.

(b) During the inquiry, she asked me where was I and what I had done the previous day.

(c) Yesterday in the night, he arrived at the regional office by bus and appeared visibly disturbed.

(d) The decorated soldier willingly laid down his life for the country while defending its frontier.

(e) All are incorrect

Q.21. In the question below, four sentences have been given. Out of four sentences, one sentence is error-free. Find out which of the following sentences is error-free. If all the given sentences have errors, then choose option 'All are incorrect' as your answer choice.

(a) Having reviewed the exception reports, several discrepancies were flagged by the compliance officer.

(b) One of the reasons for the delay were the absence of verified ownership records.

(c) The number of cyber incidents reported by banks has risen despite tighter controls.

(d) The panel comprised of two economists, a retired judge, and a technology specialist.

(e) All are incorrect

Q.22. In the question below, four sentences have been given. Out of four sentences, one sentence is error-free. Find out which of the following sentences is error-free. If all the given sentences have errors, then choose option 'All are incorrect' as your answer choice.

(a) When I asked the distinguished guest what she wished to drink, she replied that she preferred freshly brewed coffee much more than tea.

(b) The confidential memorandum has already been drafted; I insist that it is circulated among the committee members immediately.

(c) My bibliophile friend remarked that he could not remember ever having read a more absorbing historical novel.

(d) There are hundred of deeply entrenched superstitions that still survive in various parts of the country.

(e) All are incorrect



Q.23. In the question below, four sentences have been given. Out of four sentences, one sentence is error-free. Find out which of the following sentences is error-free. If all the given sentences have errors, then choose option 'All are incorrect' as your answer choice.

(a) By the time the auditors arrived, the branch manager has already left the premises.

(b) Credit growth in rural districts was lower than urban branches during the quarter.

(c) If the policy had been announced earlier, markets would react less sharply.

(d) A few measures adopted by the company inflamed the workers.

(e) All are incorrect

Directions: Read the following passage and answer the given questions.

Digital lenders are increasingly using alternative data—mobile top-ups, utility payments, e-commerce transactions, and device information to assess people with little or no formal credit history. The appeal is understandable: bureau records reveal almost nothing about first-time borrowers, whereas digital records appear to provide a richer picture of income regularity and payment habits. Properly used, such data can extend credit to households and small businesses that conventional scoring overlooks. Yet replacing a thin credit file with a dense digital footprint does not automatically make assessment fairer.

A borrower may share a phone with relatives, pay most bills in cash, move frequently for work, or use multiple low-cost SIM cards. An algorithm may interpret the resulting gaps as financial instability even when they merely reflect local living arrangements. Models also learn from earlier lending decisions. If past approvals disproportionately favoured salaried urban applicants, variables correlated with employment type, neighbourhood, language, or handset price can reproduce that preference. Removing names or other protected attributes does not remove these proxies. This _____ how a model can perform accurately across an entire portfolio while making systematic errors for smaller groups.

Opacity makes correction harder. Applicants may be told that their score was inadequate without learning which record was wrong or which behavioural pattern counted against them. Lenders, meanwhile, may argue that detailed explanations would expose proprietary methods or enable manipulation. Aggregate default rates can show whether a model predicts repayment overall, but they may conceal unequal error rates among subgroups. Models can also deteriorate when economic conditions or consumer habits change, so a system validated once cannot be assumed reliable indefinitely.

Alternative data can still be useful, but only within a disciplined framework: informed consent, limits on secondary use, accessible correction procedures, subgroup testing, periodic validation, and human review for borderline or disputed cases. In some settings, a simpler model may sacrifice a small amount of predictive power while being easier to audit and contest. The objective should therefore not be to collect the largest possible volume of data or to conflate prediction with judgment, but to make lending decisions that are both informative and accountable.

Q.24. What central tension does the passage identify in the use of alternative data for lending?

(a) Alternative data is inexpensive to collect but impossible to analyse at scale.

(b) Data-rich models can broaden access while still reproducing or relocating exclusion.

(c) Traditional bureau scores are more detailed but less accurate than device information.

(d) Applicants prefer opaque decisions because explanations may encourage manipulation.

(e) Human review invariably makes automated lending decisions less accountable.

Q.25. How can ordinary local living arrangements affect an applicant's assessment, according to the passage?

(a) They guarantee approval because informal financial behaviour signals resilience.

(b) They allow protected characteristics to be removed from every dataset.

(c) They may create fragmented records that an algorithm mistakes for financial instability.

(d) They prevent models from using any information about payment regularity.

(e) They make subgroup testing unnecessary when portfolio accuracy is high.

Q.26. Which of the following statements can be inferred to be TRUE from the passage?

(I) A larger quantity of data does not, by itself, ensure a fair lending decision.

(II) Strong portfolio-level accuracy may coexist with unequal errors across subgroups.

(III) Lenders should always disclose the complete source code of their scoring models.

(a) Only (I)

(b) Only (III)

(c) Both (I) and (II)

(d) Both (II) and (III)

(e) All (I), (II), and (III)

Q.27. Which of the following statements is/are FALSE according to the passage?

(I) Alternative data is incapable of improving access to credit under any circumstances.

(II) A model that has been validated once can be treated as permanently reliable.

(III) A simpler model may sometimes be easier to audit and challenge.

(a) Only (I)

(b) Only (II)

(c) Both (I) and (II)

(d) Both (II) and (III)

(e) All (I), (II), and (III)

Q.28. Choose the most suitable word for the blank in the passage.

(a) conceals

(b) explains

(c) reverses

(d) denies

(e) prevents

Q.29. Which word can best replace “proxies” as used in the passage?

(a) substitutes

(b) objections

(c) guarantees

(d) exceptions

(e) penalties

Q.30. Which of the following is the most appropriate synonym of “conflate” in the context of the passage?

(a) distinguish

(b) confuse

(c) disclose

(d) postpone

(e) quantify

1.A	2.B	3.B	4.B	5.C	6.B	7.E	8.A
9.C	10.D	11.A	12.B	13.A	14.D	15.D	
16.B	17.D	18.C	19.C	20.D	21.C	22.C	
23.D	24.B	25.C	26.C	27.C	28.B		
29.A	30.B						