

READING COMPREHENSIONS_8

Read the passage carefully and answer the questions given below it. Certain words/phrases are given in bold to help you locate them while answering some of the questions.

Various measures have been deployed to combat food inflation. Subsidies on food and fertilisers, imports of food as well as regulations to prevent hoarding farm produce did succeed in stabilising prices from time to time. But such crisis management has been able to provide only short lived relief, and prices have gone up from 2007.

Bringing down food inflation will benefit the consumer, but make prices unattractive to farmers. This will **accentuate** poverty. Unremunerative prices discourage investments in agriculture, causing supply side shortages, **fueling** inflation further. So, the most effective way of prices, ploughing a larger share of the consumer spend back to the farmer.

First we need to lower transaction costs. The Agricultural Produce Market Committee Acts mandate all farm produce should be brought to mandis for farmer pays to transport his produce over long distances, before knowing the price at which his produce would be sold, or whether any other market would have paid a better price.

The journey from farm to consumer involves multiple levels of transportation, handling expenses, commissions of agents and a mandicess, adding nearly 20% cost to food prices. This **absurdity** was acknowledged years ago, and a new Model APMC Act recommended by the Centre in 2003.

This Model Act must be implemented in all states. Unless farmers have the freedom to sell at farm-gate or other transparent platforms directly to buyers, transaction costs will remain high and drive consumer prices higher. Next, we need to cut wastage. Anywhere from, 5% to 40% of food is wasted along the chain, depending on the perishability of the crop and the season. First, market instruments must empower farmers to produce as per tomorrow's demand, rather than be guided by yesterday's prices.

If the Forward Contracts Regulation Act is amended to permit trading in options, farmers are assured of a minimum price when sowing, based on future projections **simulated** by a market consensus. This will align production volumes to future demand conditions and minimise wastage.

1.What has been the overall effect of the various measures taken to combat food inflation?

- a) Such measures have successfully stabilised prices of food items for a longer period
- b) Such measures have proved ineffective in the long run, and the prices have gone up.
- c) Such measures could provide only a short lived relief
- d) Only b) and c)

2.What prompted the Centre to bring about a new Model APMC Act? Select the most appropriate option.

- a) The earlier version of the APMC Act forced the farmers to bear huge transportation cost
- b) The APMC Act provided that every farmer had to sell his produce only in mandis and that also through agents.
- c) APMC Act was not acceptable to farmers, and on several occasions they had expressed their resentment against the said Act.
- d) The APMC Act could not provide relief to farmers, rather it led the food prices to soar by 20%.

3.Which of the following statements is contrary to the facts mentioned in the given passage?

- a) Unremunerative prices discourage investment in agriculture resulting into supply side shortage
- b) To contain food inflation the consumer prices should be lowered.
- c) Market instruments must empower farmers to produce as per yesterday's demand.
- d) The new Model of APMC Act was recommended by the centre to lower the transaction cost.

4.Choose the word/group of words which is most similar in meaning to the word/group of words printed in bold as used in the passage.

Absurdity

- a) Logic
- b) Wisdom

- c) Folly
- d) Seriousness

5. Choose the word/group of words which is most similar in meaning to the word/group of words printed in bold as used in the passage.

Virtual

- a) Real
- b) Practical
- c) Authentic
- d) Actual

6. Choose the word/group of words which is most similar in meaning to the word/group of words printed in bold as used in the passage.

Simulated

- a) Unexpected
- b) Classified
- c) Delivered
- d) Imitated

7. Choose the word/group of words which is most opposite in meaning of the word/group of words printed in bold as used in the passage.

Accentuate

- a) Alleviate
- b) Increase
- c) Accentuate
- d) Highlight

8. Choose the word/group of words which is most opposite in meaning of the word/group of words printed in bold as used in the passage

Fueling

- a) Inciting

- b) Lessening
- c) Inflaming
- d) Sustaining

70. Option D

71. Option D

72. Option C

73. Option C

74. Option B

75. Option D

76. Option C

77. Option B