

Section III. Language Skills

Question 1

Excess inventory, a massive problem for many businesses, has several causes, some of which are unavoidable. Overstocks may accumulate through production overruns or Certain styles and colors prove unpopular. With some products-computers and software, toys, and books-last year's models are difficult to move even at huge discounts. Occasionally the competition introduces a better product. But in many cases the public's buying tastes simply change, leaving a manufacturer or distributor with thousands (or millions) of items that the fickle public no longer wants.

One common way to dispose of this merchandise is to sell it to a liquidator, who buys as cheaply as possible and then resells the merchandise through catalogs, discount stores, and other outlets. However, liquidators may pay less for the merchandise than it cost to make it. Another way to dispose of excess inventory is to dump it. The corporation takes a straight cost write-off on its taxes and hauls the merchandise to a landfill. Although it is hard to believe, there is a sort of convoluted logic to this approach. It is perfectly legal, requires little time or preparation on the company's part, and solves the problem quickly. The drawback is the remote possibility of getting caught by the news media. Dumping perfectly useful products can turn into a public relations nightmare. Children living in poverty are freezing and XYZ Company has just sent 500 new snowsuits to the local dump. Parents of young children are barely getting by and QRS Company dumps 1,000 cases of disposable diapers because they have slight imperfections.

The managers of these companies are not deliberately wasteful; they are simply unaware of all their alternatives. In 1976 the Internal Revenue Service provided a tangible incentive for businesses to contribute their products to charity. The new tax law allowed corporations to deduct the cost of the product donated plus half the difference between cost and fair market selling price, with the proviso that deductions cannot exceed twice cost. Thus, the federal government sanctions-indeed, encourages-an above-cost federal tax deduction for companies that donate inventory to charity.

1. The passage is primarily concerned with
 - A. pointing out a problem
 - B. criticizing a particular course of action errors.
 - C. discussing possible responses to a problem
 - D. analyzing the causes of a repeated occurrence
 - E. evaluating two different approaches
2. It can be inferred from the passage that manufacturers would be most likely to avoid using a liquidator to dispose of excess inventory for which of the following reasons?
 - A. Using a liquidator has questionable legal status.
 - B. Using a liquidator requires costly preparation on the part of the manufacturer.
 - C. Having the products appear in discount outlets can damage the manufacturers' public image.
 - D. The liquidator often pays less for the inventory than the manufacturer spent to produce it.
 - E. The manufacturer is allowed no tax write-off for the loss incurred when excess inventory is sold to a liquidator.
3. The passage provides information that supports which of the following statements?
 - A. Excess inventory results most often from insufficient market analysis by the manufacturer.
 - B. Products with slight manufacturing defects may contribute to excess inventory.
 - C. Few manufacturers have taken advantage of the changes in the federal tax laws.
 - D. Manufacturers who dump their excess inventory are often caught and exposed by the news media.
 - E. Most products available in discount stores have come from manufacturers' excess inventory stock.
4. Information in the passage suggests that which of the following, if true, would make donating excess inventory to charity less attractive to manufacturers than dumping?
 - A. The costs of getting the inventory to the charitable destination are greater than the above-cost tax deduction.
 - B. The news media give manufacturers' charitable contributions the same amount of coverage that they give dumping.
 - C. No straight-cost tax benefit can be claimed for items that are dumped.
 - D. The fair-market value of an item in excess inventory is 1.5 times its cost.
 - E. Items end up as excess inventory because of a change in the public's preferences.

Question 2

Directions: Rearrange the jumbled sentences to show the appropriate sequence.

- (A) For example, when the early homo sapiens left their homes in search for food, they would risk death and injury from dangerous animals.
- (B) Throughout human history, the universe has presented an innumerable amount of dangers to explorers.
- (C) Today, many adventure enthusiasts seek to find the thrills and adrenaline rush which their ancestors had experienced in the wild.
- (D) The tradition of humans going out to experience the dangers of unknown nature still exists.
- A. ABCD
- B. ABDC
- C. BADC
- D. DABC
- E. CBAD

Question 3

Directions: In the given question, the sentence has four underlined words or phrases. Identify the one underlined work or phrase that must be changed in order to make the sentence correct. Mark E for no error.

Though they were written almost a year after they separated, Salim and Javed's stories were published on the same day.

- A. Though
- B. almost
- C. Salim and Javed's
- D. were published
- E. No error

Question 4

Directions: Choose the set of prepositions whose meaning and sequence best fits the 3 given sentences.

1. After the burglary, the office bought a sophisticated security system as an insurance_____any such losses.
2. She put_____a brave front at the end of the meeting.
3. Sunil decided to avail himself_____the opportunity to go to Australia for training.

- (A) on
- (B) of
- (C) at
- (D) against
- (E) up
- (F) with

- A. ACE
- B. ADB
- C. DAB
- D. DEB
- E. FCD

Question 5

Directions: Choose the word or pair of words that best completes the relationship to the given pair:

allusion : reference :: _____ : _____

- A. bombast : broadcast
- B. dearth : affection
- C. opulence : grandiloquence
- D. ostentation : swagger
- E. paucity : scarcity