ANSWER KEY WITH EXPLANATIONS

Reading Comprehension Passage 09 MCQ Test With Answers – INVESTMENT FOR EXPORTS

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1	A	2	E	3	B	4	E	5	C										

Explanations

1. ***The World Bank Report recommends that Turbania***
✓ A) give priority to keeping up her exports performance.
Paragraph 1 says that **new investments are of vital importance** for the continuation of Turbania's exports performance. In other words, the report wants Turbania to make keeping up its export success a priority. Not **undergo a rapid development since the beginning of the 1990s**, because that rapid development already happened in the past; it is not a recommendation.

2. ***Investors should be encouraged***
✓ E) to divert their money to manufacturing industries.
Paragraph 2 says investors have gone into **fields where they expect speculative gains**, and as a result manufacturing industries have suffered losses. So investors should be encouraged to **divert** (move) their money to manufacturing. Not **to earn more by speculative gains**, because the report presents speculation as the cause of the problem.

3. ***The increasing exports volumes just recently have brought about***
✓ B) a parallel increase in capacity utilization levels in the industries previously operating at unusually low levels.
Paragraph 3 says that rising export volumes allowed the manufacturing sector to **extend its capacity utilization level**, mainly in units that had been working at an **all-time lowest capacity level**. Not **a big jump in fixed capital investments**, because the passage says this has **not** happened.

4. ***Which of the following is not an economic measure?***
✓ E) imprisonment of fictitious exporters
Paragraph 4 lists the government's economic measures: **tax rebates**, **high import taxes**, **exchange rate policies** and, since mid-2002, **direct subsidies**. **Imprisonment of fictitious exporters** is not mentioned at all, and it would be a legal punishment, not an economic measure.

5. ***The World Bank Report is***
✓ C) cautionary.
The report notes some positive points, such as rising export volumes and better capacity use. But it warns about high interest rates, speculative investment and the **urgent** need for reform. A report that gives warnings like this is **cautionary**. Not **pessimistic**, because it also mentions improvements and gives recommendations instead of saying the situation is hopeless.

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