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Passage – 1

The concept that context is fluid leads directly to the fourth leg of the framework. I propose a discussion on risk and how to manage it. I've come to think of a good business plan as a snapshot of an event in the future. That's quite a feat to begin with taking a picture of the unknown. But the best business plans go beyond that, they are like movies of the future. They show the people, the opportunity, and the context from multiple angles. They offer a plausible, coherent story of what lies ahead. They unfold possibilities of action and reaction.

Good business plans, in other words, discuss people's opportunity, and context as a moving target. All three factors (and the relationship, among them) are likely to change over time as a company evolves from start up to ongoing enterprise. Therefore, any business plan worth the time it takes to write or read needs to focus attention on the dynamic aspects of the entrepreneurial process. Of course, the future is hard to predict. Still, it is possible to give potential investors a sense of the kind and class of risk and reward they are assuming with a new venture. All it takes is a pencil and two simple drawings. But even with these drawings, risk is, well, risky. In reality there are no immutable distributions of outcomes. It is ultimately the responsibility of management to change the distribution, to increase the likelihood and consequences of success, and to decrease the likelihood and implications of problems.

One of the great myths about entrepreneurs is that they are risk seekers. All sane people want to avoid risk. As Harvard Business school professor (and venture capitalist) Howard Stevenson says true entrepreneurs want to capture all the reward and give all the risk to others. The best business is a post office box to which people send cashier's checks. Yet risk is unavoidable, so what does that mean for a business plan?

It means that the plan must unflinchingly confront the risks ahead - in terms of people, opportunity, and context. What happens if one of the new venture's leaders leaves? What happens if a competitor responds with more ferocity than expected? What happens if there is a revolution in Namibia, the source of a key raw material? What will management actually do? Those are hard questions for an entrepreneur to pose, especially when seeking capital. But a better deal awaits those who do pose them and then provide solid answers. A new venture, for example, might be highly leveraged and therefore very sensitive to interest rates. Its business plan would benefit enormously by stating that management intends to hedge its exposure through the financial futures market by purchasing a contract that does well when interest rates go up. That is the equivalent of offering investors insurance. (It also makes sense for the business itself).

Finally, one important area in the realm of risk / reward management relates to harvesting. Venture capitalists often ask if a company is "IPOable," by which they mean, can the company be taken public at some point in the future? Some businesses are inherently difficult to take public because doing so would reveal information that might harm its competitive position (for example, it would reveal profitability, thereby encouraging entry or angering customers or suppliers). Some ventures are not companies, but rather products. They are not sustainable as independent businesses.

Therefore, the business plan should talk candidly about the end of the process. How will the investor eventually get money out of the business, assuming it is successful, even if only marginally so? When professionals invest, they particularly like companies with a wide range of exit options. They like companies that work hard to preserve and enhance those options along the way, companies that don't for example, unthinkingly form alliances with big corporations that could someday actually buy them. Investors feel a lot better about risk if the venture's endgame is discussed up front. There is an old saying, "If you don't know where you are going, any road will get you there." In crafting sensible entrepreneurial strategies, just the opposite is true; you had better know where you might end up and have a map for getting there. A business plan should be the place where that map is drawn for as every traveller knows a journey is a lot less risky when you have directions.

1. *What according to the author will be a sensible entrepreneurial deal ?*
 - (1) The will and determination to take risks.
 - (2) A proactive approach combined with reactive plan.
 - (3) A reactive approach in combination with proactive plan.
 - (4) An effectual knowledge of the venture and ability to meet challenges.

2. *Which of the following is/are true ?*
 - A. Taking advantage of arbitrage opportunities is viable.
 - B. Leveraging may create sensitivity to interest rates.
 - C. Channelising the venture into a premeditated path is desirable.

(1) only A (2) only B (3) only B and C (4) All of the above
3. *From the passage, we can conclude that :*
 - (1) New ventures are not risky.
 - (2) New ventures are inherently risky.
 - (3) Financial investment in a new venture is always non profitable.
 - (4) Conservative projection of companies' profits is suggested.
4. *The efficient business plan would be the one which :*
 - (1) effects equal distribution of power.
 - (2) involves a post office box.
 - (3) concentrates on the opportunities, the framework and the multitude.
 - (4) is comprehensive and unequivocal.
5. *Following are author's suggestions for an enterprise to become a public limited company, except :*
 - (1) in capitalizing on prevailing opportunities.
 - (2) in avoidance of exposure to certain areas of organization.
 - (3) that each business should be independent from the company.
 - (4) in formulating dependent products in the business.
6. *The concluding para states that :*
 - (1) Unequal alliances and mergers are most harmful for entrepreneurs.
 - (2) A conclusive goal should be the objective in a business venture.
 - (3) Plenty of opportunities in growth through effective interest rates should arise.
 - (4) Both (1) and (2).
7. *The author is most likely a :*
 - (1) business magazine editor.
 - (2) management thinker.
 - (3) business guru.
 - (4) venture capitalist.
8. *This passage is :*
 - (1) a note on the problems faced by new businessmen.
 - (2) a detailed discussion of the nitty-gritties of ventures.
 - (3) a description of the realities of ventures and nature of associated risks.
 - (4) a description of the author's company.
9. *Which of the following would negate the contents of the passage ?*
 - (1) Good business plans discuss people's opportunity and context as a moving target.
 - (2) All sane people want to avoid risk.
 - (3) Professionals prefer to invest in companies with a wide range of exit options.
 - (4) All entrepreneurs are risk seekers.
10. *All of the following are true with respect of the passage except that :*
 - (1) some business cannot be taken to public
 - (2) management is responsible for decreasing the likelihood and implications of problems.
 - (3) some ventures are not companies but are products.
 - (4) business plans are not the true reflectors of the people, opportunity and the context from multiple angles.

Passage – 2

What we understand by conflict is associated with our notion of change. There are religious traditions in the world, Buddhism being the most prominent, which regard change as the natural quality of life. The conflict arises when one accepts the passing state as permanent and clings to it desperately. Man suffers because he resists what is beyond resistance. Such is the law of change and the nature of suffering.

The acceptance of this law need not be a passive resignation to what is happening around us; on the contrary, it is a kind of active seeing, which involves attention. Nothing could be a better definition of *dharma* than this concentrated spirit of attentiveness, a kind of night vigil born out of inner illumination. It illuminates not only the changing state of things, of *srishti* around us, but what is more important, it focuses on the point from which it is being gazed at. The point may be invisible, it may not be pin-pointed by any scientific method or logical explanation. But it is there, determining man's relationship to the universe.

Here tradition becomes divided; one branches off into the world ordered according to the word which once spoken becomes inviolable. It sows the seeds of violence which is latent in all dogma, the most recent example of which we witnessed in the terror unleashed by the word of Ayatollah against another word. In the past, heretics were burnt in the shadow of the Book. And who can say that in our own time those who perished in the labour camps and torture chambers didn't owe their tragic fate to a book written by a benign and bearded Jew, presently kept in a British museum, blissfully unaware of its consequences ?

This makes us suspicious whether truth transmitted to us by tradition may not be a germinating ground of the conflicts which beset mankind. The strange silence of Jesus in face of the question put to him by Pilate, "What is truth?," still haunts us. Was this silence more decisive than what he preached about truth ? It makes us feel that the question about truth cannot be summed up in a slogan or a sermon. It unfolds in life offered as a sacrifice. The act of sacrifice involves in the most primary sense of the word the voluntary act of renouncing, giving up, but this is merely half the meaning, the negative half. The second half is that which is begotten and realised. Both are integral to the act of sacrifice - the blessed grace of fulfilment through the act of negation. One destroys oneself and one rises again - like phoenix - from the ashes of one's own extinction. What is risen is however not the same as what is destroyed - though the basic ingredients of one's being, of one's existence, remain the same. It is a kind of rebirth in the same life. The act of sacrifice in Christian tradition comes closest to the concept of rite in Hindu cosmology. What is given in the natural order becomes the moral law of human conduct, the performance of one's obligation ordained by one's own nature.

There is nothing static and repetitive about tradition. It is enriched by the continuous endeavour to internalise that which is the other, the alien, the outside, till it reaches a point where the boundaries merge. The notion of sacred in a tradition is born precisely from this act of merger. The world ceases to be something outside a kind of screen reflecting the images projected on it by man himself. There is however, no guarantee that the traditional societies permanently preserve this sacred sense of connectedness; if that were so, they would not have been exposed to all sorts of anguished misgivings, doubts and uncertainties described with such poetic vigour in ancient epics like the Mahabharata and Iliad. The notion of sacred is born of the inner-connectedness of all that one sees outside with that which one feels and experiences inside. There is no barrier blocking the one from the other. That is open reason why, in much of traditional art, images of man, beast and nature are so beautifully fused. Even more significant is the fact that the relation of the artist to his world is not that of a viewer against the viewed, the active will of a creator operating on a passive object, but both are equally alive in their interaction which transcends both the viewer and the viewed.

It reminds us of two different statements, one of Paul Klee, the other of Coomaraswami which specify the nature of the divine in art. Klee writes in his journal that roaming around in a forest, he sometimes had a strange feeling that it is not only he who is watching the trees, but that he himself is being watched by them. I am sure a tribal artist of Bastar will corroborate the feeling of Klee. And this feeling itself acquires a kind of luminous sanctity in what Coomaraswami says about the essential meaning of art, a view based on the traditional way of looking at the world. "If it is to nourish as plants are nourished and grow in suitable soils, it is to the understanding and not to feelings that an appeal must be made. In one respect the public is right, it always wants to know what a world of art is about. Let us tell them the painful truth that most of these works of art are about God, whom we never mention in polite society."

How outrageous such words will sound to a modern secularist can easily be imagined. And yet for once they unashamedly proclaim what tradition is all about. It is a frank refusal to regard man as the source of supreme and sovereign power, a belief which increasingly became so dominant since the European Renaissance. Such a self-central conception of man is fraught with satanic temptations, of which Faust is the most representative and tragic symbol. It destroys all the covenants which tradition had built up to enable man to live in harmony with the world. If man becomes totally autonomous, isolated within its own world, then the world outside becomes the other in its indubitable otherness. The fall of Adam was symbolised by his banishment from nature, now nature itself is exiled from the human habitat, a mourning witness to man's existence on earth. Compare the strange aloofness of the sky, sea and mountains in some of the late Renaissance paintings with their luminous warmth and intimacy in the Indian miniatures of the same period and the difference is striking. This is not to denigrate one against the other, but only to point out the dark abyss which opens up once man appropriates for himself that which owed legitimacy to divine sanction. Man is now no longer cast in the image of God, instead it is God who has to be framed within the self-images man has fabricated for himself.

There is a way shown by all traditions, a way of withdrawal from the egoistic conception of the self, an egoistic self which is the battleground of all conflicts. It is not a withdrawal of self to non-self, but from a state of exile to one of homecoming; from the depleted reality of the world where man is alone in his own isolation to a world swarming with beasts, gods and stars. What are merely poetic symbols in a secular world are transformed into a kingdom of living spirits to which he can go for pilgrimage in the same way as one goes to holy places. For this, one does not have to go outside in space or backward in time. It is buried deep beneath the layers of forgetfulness which can only be unearthed by memory. Hence the importance of memory or *smriti* in all traditions which connects us with the deeds of our ancestors. The very notion of creativity undergoes a change. It no longer consists in creating something new, but it resides in the capacity to recall from oblivion that which was always natural to man, his obligation of being human in the world, which is what man's *dharma* is all about.

It is this awareness of *dharma* and *sva-dharma* which is perpetually renewed by the sense of tradition even when the traditional societies are progressively crippled and destroyed by the onslaughts of the modern world. It is not merely poets and seers who are privileged to possess it but entire communities are sustained and nourished by their living sense of tradition in their struggle for survival. Science and technology might have made deep incursions into the traditional modes of life and may have pushed it to the brink of extinction but it is so deeply ingrained within the texture of man's consciousness

that the sense of tradition survives even after the extinction of traditional modes of existence. In the darkest hour of stress and crisis, man turns to it, posing a moral challenge to the acquisitive and aggressive ideologies of the modern world. The patience and perseverance of a Dalai Lama in the face of heavy odds and the incalculable suffering of his people are as much a profound source of moral embarrassment to the Chinese rulers as at one time the non-violent satyagraha of Gandhi was to the British empire: two major figures of modern time who directly drew inspiration from their traditions to evolve the most innovative forms of resistance against evil.

11. *All of the following are reasons for : "The acceptance of the law of change need not be a passive resignation, but is a kind of active seeing which involves attention" except that :*
 - (1) the concept of religion can be precisely defined around it.
 - (2) it leads to a concentrated spirit of attentiveness.
 - (3) it indicates our participation in the process of change.
 - (4) None of the above.
12. *The author is least likely to agree with the statement that :*
 - (1) tradition can exist in diametrically opposite points of view.
 - (2) tradition can be destructive.
 - (3) the past when heretics were burnt in the shadow of the Book is passe.
 - (4) modern world does not recognize dogmatic principles seriously.
13. *The "negative half" of sacrifice being talked about by the author :*
 - (1) is related to the act of renouncing a pleasure not needed by someone else.
 - (2) is not as important as the other half.
 - (3) is basically an act of renunciation of beliefs of traditions.
 - (4) pushes our understanding to new frontiers of knowledge.
14. *According to Coomaraswami, art should :*
 - (1) reflect the social realities and thus help growth towards the divine.
 - (2) be seen from close quarters such as a jungle.
 - (3) appeal to understanding and not emotions.
 - (4) All of the above.
15. *All of the following are true regarding the fact that "There is nothing static and repetitive about tradition," except that:*
 - (1) it is enriched by the continuous endeavour to internalise that which is the other, the outside, till it reaches a point where the boundaries merge.
 - (2) there is some certainty that the traditional societies permanently preserve this sacred sense of connectedness.
 - (3) the traditional societies would not have been exposed to all sorts of anguished misgivings, doubts and uncertainties, in the instance of tradition remaining static and repetitive.
 - (4) None of the above.
16. *Klee's example has been used to highlight :*
 - (1) the depth of understanding of the tribal artist of Bastar.
 - (2) the role of external factors in the internal make-up of an artist.
 - (3) the importance of nature.
 - (4) the respect for God and His creations.
17. *The author is a supporter of the viewpoint that :*
 - (1) man's autonomy is a deciding factor in the positive growth of civilization.
 - (2) traditions are immortal and no force can erase their spirit forever.
 - (3) traditions should have no place in a modern society.
 - (4) radical self-centralism is the key to rapid technological growth.
18. *Though science has crippled traditional modes of existence, tradition itself will never perish because :*
 - (1) its presence is increasingly being felt in an egoistic society.
 - (2) it derives its strength from the basis of science itself.
 - (3) it exists in the hearts of men.
 - (4) it acts as a social stabilizer and preserver of morality and prevents cut-throat competition.
19. *The author closes the passage with :*
 - (1) a subtle warning that if science continues its relentless march, traditions can be irreversibly damaged.
 - (2) a direct warning that unless we devise new strategies like those of Gandhi and Dalai Lama, our own science will make us obsolete.
 - (3) an explanation of the inner and unassailable strength of tradition.
 - (4) a detailed explanation of Gandhi's inner strength.
20. *The author's attitude towards a "secular world" can best be summarized as :*
 - (1) not appreciative.
 - (2) appreciative.
 - (3) highly deprecating.
 - (4) contemplative.

Detailed Solutions

1. **Ans.(4).** The fourth paragraph, through posing questions, upholds option (4) as the correct one. The remaining options are incorrect.
2. **Ans.(3).** Statements (B) and (C) pertain to the fourth and the last paragraphs respectively. Hence they are correct. Statement (A) does not appear in the passage, direct or implicit. Hence option (3), a combination of B and C is the ideal one. The remaining options can be ignored.
3. **Ans.(2).** The passage, throughout, seems to imply the idea that risk cannot be eliminated completely in any new venture. Option (2) best signifies this and is the desired one. The remaining options are incorrect.
4. **Ans.(3).** The last paragraph is about the wholesome approach of the efficient business plan with thrust on opportunities and framework. Option (3) best depicts this and is the appropriate one. The remaining options are incorrect.
5. **Ans.(3).** The last three paragraphs state and uphold options (1), (2) and (4). Option (3) falls out, as it is not endorsed by the passage, as evident in the last sentence of the second last paragraph. Option (3) is the one sought.
6. **Ans.(4).** Options (1) and (2) are implied by the concluding paragraph. Hence option (4), their combination, is the best one. Option (3) is not pertinent to the contents of the passage.
7. **Ans.(4).** The first paragraph suggests of the author being a venture capitalist. This makes option (4) valid. The remaining options are not correct.
8. **Ans.(3).** The central idea of the passage is best reflected in option (3). The remaining options are not correct.
9. **Ans.(4).** The third paragraph states the myth that all entrepreneurs are risk seekers. This makes option (4) as the option sought. The remaining options uphold the contents of the passage.
10. **Ans.(4).** The opening paragraph shows that option (4) has its opposite stated. Hence this is the option sought as it goes against the contents of the passage. The remaining options are in place.
11. **Ans.(4).** The second paragraph mentions options (1), (2) (3). This makes option (4) as the one sought, as it is not mentioned in the passage.
12. **Ans.(3).** The third paragraph, in the third sentence, states the opposite of option (3). Hence option (3) is the one sought. The remaining options are in place.
13. **Ans.(2).** The fourth paragraph, in the seventh sentence, states and upholds option (2). The remaining options are not correct.
14. **Ans.(3).** The seventh paragraph comes out with the views of Coomaraswami. Option (3) best reflects this and is the one sought. The remaining options are not desired.
15. **Ans.(2).** The fifth paragraph states and validates options (1) and (3). Option (2) is not stated or implied in the passage. Hence the option sought is (2).
16. **Ans.(3).** The seventh paragraph states and endorses option (3) as the correct one. The remaining options pale out before option (3) and are rejected.
17. **Ans.(2).** Option (2) is the underlying theme of the discussion in the passage, on a case to case basis. The last two lines of the second last paragraph state about it. The remaining options are not apt.
18. **Ans.(3).** The last paragraph endorses option (3) as the correct one. The remaining options are incorrect, as they are outside the purview of the passage.
19. **Ans.(3).** The passage, in essence, talks of option (3) as the correct one. The passage closes on this note. The remaining options are incorrect.
20. **Ans.(1).** The first few lines of the seventh paragraph comes out, with the author not appreciating the idea of a 'secular world'. Option (1) best depicts this. The remaining options are not proper.

Answer Keys

1.(4)	2.(3)	3.(2)	4.(3)	5.(3)	6.(4)	7.(4)	8.(3)	9.(4)	10.(4)
11.(4)	12.(3)	13.(2)	14.(3)	15.(2)	16.(3)	17.(2)	18.(3)	19.(3)	20.(1)