

• Reading Comprehension 6 Level 12

Directions: Read the passage. Then answer the questions below.

Given the sharp decline in the Dow Jones Industrial Average with mega-cap corporations leading the way, it seems the likelihood of hitting levels indicative of a double dip recession is probable, if not **imminent**, in the upcoming months. Our analysts recommend that investors closely observe industry ratings, take caution in their attempts to capitalize on yearly lows, and remain vigilant of the aforementioned sell-off predictions. While it may be tempting to "stab" the market when it is down, be **wary**; today's lows are often tomorrow's highs.

Questions

- 1) The author's primary purpose is to
 - A. warn investors attempting to take advantage of market lows
 - B. outline the dangers involved in investing during a recession
 - C. advise investors to take caution in a volatile market
 - D. recommend that investors retreat from the market in the long term
 - E. reprimand investors interested in capitalizing on fragile market conditions

- 2) As used in the passage, which is the best synonym for **imminent**?
 - A. possible
 - B. feasible
 - C. plausible
 - D. impending
 - E. diminishing

- 3) As used in the passage, which is the best antonym for **wary**?
 - A. confident
 - B. unconscious
 - C. strong
 - D. ready
 - E. reckless

- 4) This passage would most likely serve as
 - A. the introduction to an essay
 - B. the conclusion to a report
 - C. the supporting evidence in a report
 - D. a quick summary presented to eager investors
 - E. an advisory notice posted in places of business

- 5) The author apparently believes that
 - A. the market will decline in the short term
 - B. now is definitely not a good time to invest
 - C. although the market is currently down, tomorrow prices will likely hit a record high
 - D. most investors are incapable of making good decisions, with current market conditions
 - E. it is certain that the economy will see another recession in upcoming months

Answers and Explanations

1) **C**

At the beginning of the passage, the author writes, "it seems the likelihood of hitting levels indicative of a double dip recession is probable, if not imminent, in the upcoming months." From this, we can see that the author believes the market will decline in the upcoming months. Next, the author advises us to "take caution in [our] attempts to capitalize on yearly lows," and to "remain vigilant." This shows a clear caution from the author to investors. Finally, the author states that "today's lows are often tomorrow's highs," or in other words, prices could continue to decrease. In this statement, the author implies that regardless of recent declines, there is always room for prices to further fall. This shows the volatile—meaning very inconsistent and fragile—nature of the market. Using this information, we can see that the author's primary purpose is to advise investors to take caution in a volatile market. Therefore **(C)** is correct. In the middle of the passage, the author writes, "Our analysts recommend that investors closely observe industry ratings, take caution in their attempts to capitalize on yearly lows, and remain vigilant of the aforementioned sell-off predictions." This shows that the author is making a recommendation, not a warning, to investors. A warning would utilize much stronger language, and be delivered in a more emphatic tone. Using this information, we can understand that the author's primary purpose is not simply to warn investors attempting to take advantage of market lows, because this is too limited in scope. Therefore **(A)** is incorrect. While we might infer that in earlier paragraphs the author outlines specific dangers involved with investing during a recession, this paragraph does not provide any clear information outlining those specific dangers. For this reason, the author's primary purpose is not to outline the dangers involved in investing during a recession. This lets us know that **(B)** is incorrect. The passage does not provide any information that would lead us to believe that the author's primary purpose is to recommend that investors retreat from the market in the long term. The word "retreat" implies that investors get out and stay out of the market, and we don't see that recommendation anywhere, so **(D)** is incorrect. The author does not rebuke or scold investors. Rather, he or she merely recommends a course of action. From this we know that the author's primary purpose is not to reprimand investors interested in capitalizing on fragile market conditions. Therefore **(E)** is incorrect.

2) **D**

imminent (*adjective*): will occur at some point in the future, impending.

In the first sentence of the passage, the author writes, "Given the sharp decline in the Dow Jones Industrial Average with mega-cap corporations leading the way, it seems the likelihood of hitting levels indicative of a double dip recession is probable, if not imminent, in the upcoming months." We can use context clues to help determine a close definition for imminent. Even if we are unfamiliar with the Dow Jones Industrial Average, or other investor jargon used in the passage, it is not necessary that we know this in order to use context clues to help define imminent. The author states that the likelihood of a recession is probable, if not imminent. That is to say, the author believes that the likelihood of a recession is not only probable, but may be more than probable. From this, we can infer that imminent means more than probable. *Impending* means will occur at some point in the future, so this is more than probable, making it a close adjective to imminent. Using this information, we can see that the best synonym for imminent is impending. Therefore **(D)** is correct. *Possible* means may or might: exist, happen, occur or be done. Using the above information, we know that a word that means nearly the same thing as imminent must reflect a likelihood of more than probable. Since something that is possible, does not have a likelihood more than probable, we know that possible is not the best synonym for imminent, and **(A)** is incorrect. *Feasible* means capable of being done, effected or accomplished. Using the above information, we know that a word that means nearly the same thing as imminent must reflect a likelihood more than probable. Since something that is feasible does not necessarily occur, we know that feasible is not the best synonym for imminent. Therefore **(B)** is incorrect. *Plausible* means having an appearance of truth or reason. Using the above information, we know that we are looking for a word that means nearly the same thing as more than probable, or will occur in the future. Since plausible is an adjective that describes the truth or reason of a thing, and not the likelihood of an occurrence, we know that plausible is not the best synonym for imminent. This means **(C)** is incorrect. *Diminishing* means to make or cause to seem smaller or less important. Using the above information, we know that we are looking for a word that means nearly the same thing as more than probable, or will occur in the future. Something described as diminishing reflects the opposite of something has a more than probable chance of occurring, therefore we know that diminishing is not the best synonym for imminent. This rules out **(E)**.

3) **E**

wary (*adjective*): characterized by or showing caution; cautious.

In this passage, the author writes, "While it may be tempting to 'stab' the market when it is down, be wary; today's lows are often tomorrow's highs." We can use context clues in this sentence to help us arrive at a close definition—and then determine an opposite—for wary. In this sentence, the author urges us to take caution when trying to "stab" (or make some sort of capitalizing move against) the market. This lets us know that we are looking for the word that is the closest opposite to cautious. *Reckless* means without caution, so we know it means something directly opposite to wary. Using this information, we can tell that the best antonym for wary is reckless, and **(E)** is correct. *Confident* means having strong belief or full assurance. Using the above information, we know that we are looking for the word that is the closest opposite to cautious. Confident would better describe the poise with which someone approaches a situation, which does not mean the same thing as approaching recklessly or not cautiously. Using this information, we can tell that confident is not the best antonym for wary. Therefore **(A)** is incorrect. *Unconscious* means without awareness. Consciousness refers to awareness of the mind, whereas cautiousness refers to the particularly deliberate, careful act of approaching a situation or thing. We know that we are looking for the word that is the closest opposite to cautious, and since unconscious describes more of a lack of mental awareness than a lack of caution, we know that unconscious is not the best antonym for wary. This means **(B)** is incorrect. *Strong* means having or showing great bodily or muscular power. Using the above information, we know that we are looking for the word that is the closest opposite to cautious. Since strong refers to power, and not caution, we know that strong is not the best antonym for wary. This eliminates **(C)**. *Ready* means completely prepared for action. Someone who is ready could also be described as cautious, because they are both expectant of something that will happen in the future. From this, we can see that ready is a closer synonym to wary, rather than an appropriate antonym. Using this information, we can see that ready is not the best antonym for wary, so **(D)** is incorrect.

4) **B**

In the first sentence, the author writes, "Given the sharp decline in the Dow..." Since the author uses the word "this" instead of "the" or "a", we can infer that he or she is referring to something stated in an earlier paragraph. Later in the passage, the author writes, "Our analysts recommend that investors observe industry ratings, take caution in their attempts to capitalize on yearly lows, and remain vigilant of the aforementioned sell-off predictions." Because the author uses the word "aforementioned", we can infer that once again, he or she is referring to something stated in an earlier paragraph. In addition to this, the author uses a logical structure, typical of conclusions. Effective conclusions summarize the arguments or informative paragraphs that have been previously outlined. We see this structure when the author writes, "Our analysts recommend that investors observe industry ratings, take caution in their attempts to capitalize on yearly lows, and remain vigilant of the aforementioned sell-off predictions." In this sentence, it appears the author is summarizing, or restating, the main points he or she has finished making in the previous paragraphs. Using this information, we can tell that this passage would most likely serve as the conclusion to a report. Therefore **(B)** is correct. Using the above information, we can see that the author refers to information that he or she has already presented. An introduction is the first paragraph of an essay, so it would not refer to previous paragraphs. Words like "this" and "aforementioned" reference earlier information. From this, we can tell that this passage would not likely serve as the introduction to an essay, which means **(A)** is incorrect. In this paragraph, the author summarizes points that have previously been made when he or she writes, "Our analysts recommend that investors closely observe industry ratings, take caution in their attempts to capitalize on yearly lows, and remain vigilant of the aforementioned sell-off predictions." Based on this passage's particular topic, supporting evidence—which is usually detailed elaboration—would go into more depth about the recommendations to "observe...take caution...and remain vigilant" as they are summarized here. Using this information, we can tell that this passage would not likely serve as the supporting evidence in a report. This means **(C)** is incorrect. In this paragraph, the author summarizes points that have previously been made when he or she writes, "Our analysts recommend that investors closely observe industry ratings, take caution in their attempts to capitalize on yearly lows, and remain vigilant of the aforementioned sell-off predictions." A quick summary would not reference "aforementioned" topics, because a summary should contain all necessary information, without referencing other facts. This lets us know that this passage would not likely serve as a quick summary presented to eager investors. Therefore **(D)** is incorrect. In this paragraph, the author summarizes points that have previously been made when he or she writes, "Our analysts recommend that investors closely observe industry ratings, take caution in their attempts to capitalize on yearly lows, and remain vigilant of the aforementioned sell-off predictions." An advisory notice would not reference "aforementioned" topics, because it would contain all necessary information. Notices tend to be less wordy than paragraphs—since they are often posted—and convey a more urgent tone, because they need to get important information disseminated quickly. This lets us know that this passage would not likely serve as an advisory notice posted in places of business. Therefore **(E)** is incorrect.

5) **A**

In the first sentence, the author states, "the likelihood of hitting levels indicative of a double dip recession is probable, if not imminent, in the upcoming months." From this, we can infer that the author believes that a "double dip recession" is likely, if not definitely, going to occur in the future. Since a recession is a decline, and the upcoming months constitutes the short term, we can infer that the author believes the economy is in for a decline in the short term. Based on this information, the author apparently believes the market will decline in the short term. Therefore **(A)** is correct. While the author seems to believe that now is not a good time to invest, based on the information in the passage, it would be too strong and definitive to infer that the author apparently believes that now is definitely not a good time to invest, since it is never conclusively stated. Therefore **(B)** is incorrect. While the author ends the passage by stating, "today's lows are often tomorrow's highs," we can tell that this is a common colloquialism—trendy catchphrase—in stock market lingo. Generally speaking, it's unlikely that a dramatic price shift will happen in one day, reaching a record high within 24 hours, so we know that "today" and "tomorrow" are not meant to be taken so literally. We can see that based on information in the passage, we cannot infer that the author apparently believes that although the market is currently down, tomorrow prices will likely hit a record high. Therefore **(C)** is incorrect. The passage does not provide any information that could lead us to infer that author thinks that most investors are incapable of making good decisions, with current market conditions. Since the author issues a recommendation in this passage, it would actually indicate the opposite. Therefore **(D)** is incorrect. While the author does think a "double dip"—a second—recession is highly likely, he or she does not state this conclusively. Therefore, to infer that the author apparently believes it is certain that the economy will see another recession in upcoming months would be too definitive of a conclusion for us to draw. This means **(E)** is incorrect.