

Analytical Reasoning Questions Overview

Analytical Reasoning Questions have a good weightage in the Banking Exam and the type of question asked in Banking exam is similar to the question mentioned below. It has been solved and explained by Gargi.ai Experts and they have tried to elaborate the concept used in Analytical Reasoning Questions.

Analytical Reasoning Questions

Direction: In each of the questions, there are given two statements I and II. These statements may be either independent causes or may be effects of independent causes or a common cause. One of these statements may be the effect of the other statements. Read both statements and decide which of the following answer choice correctly depicts the relationship between these two statements.

Question

Statements: I. The government has decided to give tax benefits in small savings for investments and benefit accruals. However, all withdrawals of such savings are to be taxed. II. People have been investing more in small savings than in the equity market to avail of maximum tax benefits.

Difficulty : Moderate

Average Time : 56 Seconds

Options :

1. Statement I is the cause and statement II is its effect
2. Statement II is the cause and statement I is its effect
3. Both statements I and II are independent causes
4. Both the statements I and II are effects of independent causes
5. Both the statements I and II are effects of some common cause

Solution

The correct answer is **option 1** i.e **Statement I is the cause and statement II is its effect.**

Understanding

Statements:

I. The government has decided to give tax benefits in small savings for investments and benefit accruals. However, all withdrawals of such savings are to be taxed.

II. People have been investing more in small savings than in the equity market to avail of maximum tax benefits.

Since the government decided to give tax benefits in small savings for investments and benefit accruals, people decided to invest in small savings instead of other investment schemes.

Hence, the correct answer is **Statement I is the cause and statement II is its effect.**