GMAT-Reading-Test 06

**Passage 6**

 In the eighteenth century, Japan’s feudal

overlords, from the shogun to the humblest

samurai, found themselves under financial

stress. In part, this stress can be attributed to

**(5)**the overlords’ failure to adjust to a rapidly ex-

panding economy, but the stress was also due to
factors beyond the overlords’ control. Concen-

tration of the samurai in castle-towns had acted

as a stimulus to trade. Commercial efficiency, in

**(10)** *t*urn, had put temptations in the way of buyers.

Since most samurai had been reduced to idleness

by years of peace, encouraged to engage in

scholarship and martial exercises or to perform

administrative tasks that took little time, it is

**(15)**not surprising that their tastes and habits grew

expensive. Overlords’ income, despite the in-

crease in rice production among their tenant

farmers, failed to keep pace with their expenses.

Although shortfalls in overlords’ income re-

**(20)**sulted almost as much from laxity among their

 tax collectors (the nearly inevitable outcome of

 hereditary officeholding) as from their higher

 standards of living, a misfortune like a fire or

 flood, bringing an increase in expenses or a drop

**(25)** in revenue, could put a domain in debt to the

 city rice-brokers who handled its finances. Once

 in debt, neither the individual samurai nor the

 shogun himself found it easy to recover.

 It was difficult for individual samurai over-

**(30)**lords to increase their income because the

 amount of rice that farmers could be made to

 pay in taxes was not unlimited, and since the in-

 come of Japan’s central government consisted in

 part of taxes collected by the shogun from his

**(35)** huge domain, the government too was con-

 strained. Therefore, the Tokugawa shoguns

 began to look to other sources for revenue.

 Cash profits from government-owned mines

 were already on the decline because the most

**(40)** easily worked deposits of silver and gold had

 been exhausted, although debasement of the

 coinage had compensated for the loss. Opening

 up new farmland was a possibility, but most of

 what was suitable had already been exploited

**(45)** and further reclamation was technically unfeasi-

 ble. Direct taxation of the samurai themselves

 would be politically dangerous. This left the

 shoguns only commerce as a potential source of

 government income.

**(50)** Most of the country’s wealth, or so it seemed,

 was finding its way into the hands of city mer-

 chants. It appeared reasonable that they should

 contribute part of that revenue to ease the

 shogun’s burden of financing the state. A means

**(55)** of obtaining such revenue was soon found by

 levying forced ioans, known as *goyo-kin*;

 although these were not taxes in the strict sense,

 since they were irregular in timing and arbitrary

 in amount, they were high in yield. Unfortunately,

**(60)**they pushed up prices. Thus, regrettably, the

 Tokugawa shoguns’ search for solvency for the

 government made it increasingly difficult for

individual Japanese who lived on fixed stipends

 to make ends meet.

1. The passage is most probably an excerpt from

 (A) an economic history of Japan
 (B) the memoirs of a samurai warrior

 (C) a modern novel about eighteenth-century Japan

 (D) an essay contrasting Japanese feudalism with its

 Western counterpart

 (E) an introduction to a collection of Japanese folktales

2. Which of the following financial situations is most

 analogous to the financial situation in which Japan’s

 Tokugawa shoguns found themselves in the eighteenth

 century?

 (A) A small business borrows heavily to invest in new

 equipment, but is able to pay off its debt early

 when it is awarded a lucrative government contract.

 (B) Fire destroys a small business, but insurance covers

 the cost of rebuilding.

 (C) A small business is turned down for a loan at a

 local bank because the owners have no credit

 history?

 (D) A small business has to struggle to meet operating

 expenses when its profits decrease.

 (E) A small business is able to cut back sharply on

 spending through greater commercial efficiency

 and thereby compensate for a loss of revenue.

3. Which of the following best describes the attitude of

 the author toward the samurai discussed in lines

 11-16?

 (A) Warmly approving

 (B) Mildly sympathetic

 (C) Bitterly disappointed

 (D) Harshly disdainful

 (E) Profoundly shocked

4. According to the passage, the major reason for the

 financial problems experienced by Japan’s feudal

 overlords in the eighteenth century was that

 (A) spending had outdistanced income

 (B) trade had fallen off

 (C) profits from mining had declined

 (D) the coinage had been sharply debased

 (E) the samurai had concentrated in castle-towns

5.The passage implies that individual samurai did not

 find it easy to recover from debt for which of the

 following reasons?

 (A) Agricultural production had increased.

 (B) Taxes were irregular in timing and arbitrary in

 amount.

 (C) The Japanese government had failed to adjust to

 the needs of a changing economy.

 (D) The domains of samurai overlords were

 becoming smaller and poorer as government

 revenues increased.

 (E) There was a limit to the amount in taxes that

 farmers could be made to pay.

6. The passage suggests that, in eighteenth-century

 Japan, the office of tax collector

 (A) was a source of personal profit to the officeholder

 (B) was regarded with derision by many Japanese

 (C) remained within families

 (D) existed only in castle-towns

 (E) took up most of the officeholder’s time

7. Which of the following could best be substituted

 for the word “This ” in line 47 without changing the

 meaning of the passage?

 (A) The search of Japan’s Tokugawa shoguns for

 solvency

 (B) The importance of commerce in feudal Japan

 (C) The unfairness of the tax structure in eighteenth-

 century Japan

 (D) The difficulty of increasing government income by

 other means

 (E) The difficulty experienced by both individual

 samurai and the shogun himself in extricating

 themselves from debt

8. The passage implies that which of the following was

 the primary reason why the Tokugawa shoguns

 turned to city merchants for help in financing the

 state?

 (A) A series of costly wars had depleted the national

 treasury.

 (B) Most of the country’s wealth appeared to be in

 city merchants’ hands.

 (C) Japan had suffered a series of economic

 reversals due to natural disasters such as

 floods.

 (D) The merchants were already heavily indebted to

 the shoguns.

 (E) Further reclamation of land would not have been

 economically advantageous.

9. According to the passage, the actions of the Tokugawa

 shoguns in their search for solvency for the government

 were regrettable because those actions

 (A) raised the cost of living by pushing up prices

 (B) resulted in the exhaustion of the most easily

 worked deposits of silver and gold

 (C) were far lower in yield than had originally been

 anticipated

 (D) did not succeed in reducing government spending

 (E) acted as a deterrent to trade

**ANSWERS**

A

D

B

A

E

C

D

B

A