

CAT Sample Paper 3

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Logical & Data Interpretation

DIRECTIONS for questions 1 to 4: Answer the questions on the basis of the information given below.

Details regarding the Performance of a few top companies during the Financial Year 2003-04

Name of the company	ET500 Rank	Sales (Rs.Cr)	Change in Sales (%)	PAT (Rs.Cr)	Change in PAT (%)	PE	DIV YIELD (%)	EPS (Rs)	Dividend (%)
Dr. Reddy's Laboratories	35	1667.9	11.0	392.0	4.9	19.0	0.5	51.2	100.0
Sun Pharmaceuticals Industries	40	934.0	16.0	265.4	34.3	22.8	0.8	28.6	100.0
Tata Iron and Steel Corporation	17	10166.9	27.6	1586.4	138.3	8.9	2.1	43.0	80.0
Jindal Steel and Power	110	1241.9	43.9	203.2	29.5	7.7	1.2	66.0	125.0
Madras Cements	139	671.7	8.7	33.3	139.7	31.5	0.8	24.6	60.0
Gammon India	209	1014.1	56.9	27.2	21.4	22.2	0.6	19.8	25.0
Hero Honda Motors	28	5381.5	4.7	666.0	14.0	14.7	3.7	33.4	900.0
TVS Motor Company	88	2762.4	5.5	134.1	18.4	14.8	1.4	5.8	120.0
Oil and Natural Gas Corporation	1	36175.8	27.5	10356.5	21.9	11.6	3.6	72.6	300.0
Hindustan Petroleum Corporation Ltd.	13	56680.5	13.9	2011.0	51.4	8.6	3.9	59.3	200.0
Satyam Computer Services	26	2359.3	21.4	379.0	-9.3	24.5	1.0	12.0	150.0
HCL Technologies	34	998.3	28.2	360.9	8.6	21.4	1.6	11.6	200.0
HCL Infosystems	86	1756.4	-0.3	112.7	241.6	20.8	1.5	31.9	100.0
Hughes Software	91	321.7	49.9	69.9	89.9	25.0	0.4	20.8	40.0
Hinduja TMT	150	148.5	58.8	75.6	21.3	11.0	3.4	18.5	70.0

Note:

- ◆ Change in Sales (%) = Change in sales from 2002-03 to 2003-04 as a percentage of sales in 2002-03.
- ◆ Change in PAT (%) = Change in PAT from 2002-03 to 2003-04 as a percentage of PAT in 2002-03.
- ◆ $PE = \frac{\text{Market value per share (in Rs.)}}{\text{EPS (in Rs.)}}$
- ◆ DIV YIELD (%) = Dividend per share (in Rs.) as a percentage of market value per share.
- ◆ Dividend (%) = Dividend per share (in Rs.) as a percentage of par value per share.
- ◆ NPM (%) = PAT as percentage of sales.

1. For how many of the companies given above, is the market value per share greater than Rs.500 but less than Rs.1,000?

- (1) 4
- (2) 6
- (3) 7
- (4) 8

2. For how many of the companies given above, is the dividend per share more than Rs.10?

- (1) 2
- (2) 3
- (3) 4
- (4) 6

3. Which of the following companies has the highest NPM% in the year 2003-04?

- (1) Hinduja TMT
- (2) Oil and Natural Gas Corporation
- (3) HCL Technologies
- (4) Jindal Steel and Power

4. Which company experienced the maximum growth in sales in 2003-04 over that in 2002-03?

- (1) Jindal Steel and Power Ltd.
- (2) Hindustan Petroleum Corporation Ltd.
- (3) Oil and Natural Gas Corporation
- (4) Hinduja TMT

DIRECTIONS for questions 5 to 8: Answer the questions on the basis of the information given below.

In Rangeela land, there are only three types of people: Lalpilas, Pilharas and Haralals. Lalpilas always get confused between red and yellow (i.e. they see yellow as red and vice versa.) and can see any other colour properly. Pilharas always get confused between yellow and green and can see any other colour properly and Haralals always get confused between red and green and can see any other colour properly.

5. Three persons Amar, Akbar and Anthony, who belong to Rangeela land made the following statements.

Amar : Gabbar Singh is wearing a green shirt.

Akbar : Gabbar Singh is not wearing a yellow shirt.

Anthony : Gabbar Singh is wearing a red shirt.

If none of them is a Haralal, then what is the colour of Gabbar Singh's shirt?

- (1) Red
- (2) Yellow
- (3) Green
- (4) Cannot be determined

6. Two persons - Dhiraj and Suraj, of Rangeela land made the following statements.

Dhiraj : Feroz is wearing a red hat. Feroz is wearing a yellow shirt.

Suraj : Feroz is wearing a red hat. Feroz is wearing a green shirt.

Suraj is a

- (1) Lalpila
- (2) Pilhara
- (3) Haralal
- (4) Such a conversation is not possible.

7. Veeru is a

- (1) Lalpila
- (2) Pilhara
- (3) Haralal
- (4) Cannot be determined

8. What is the colour of Basanti's saree?

- (1) Green
- (2) Red
- (3) Yellow
- (4) Cannot be determined

DIRECTIONS for questions 9 to 12: Answer the questions on the basis of the information given below.

The table gives some information about the points scored by Arjun in AHC (All Hastin Championship), in five different mind games - Dice, Dance, Dupe, Digit and Dynasty.

Game	Total Problems	Problems Attempted	Successful Attempts	Failures	Net Score
Dice	35	29			
Dance	30				
Dupe	35	17		6	
Digit	40				11
Dynasty	45		30		

It is also known that,

- i. For every successful attempt Arjun gets one point and for every unattempted problem he loses $1/6^{\text{th}}$ of a point and for every failure he loses $1/3^{\text{rd}}$ of a point.
- ii. Arjun scored a total of 67 points and attempted 125 problems.
- iii. The number of failures of Arjun in Digit is $1/6^{\text{th}}$ of his total failures and is double of that in Dance.
- iv. Arjun's net score in Dance is double that in Dupe.

9. What is the total number of failures of Arjun in the competition?

- (1) 24
- (2) 30
- (3) 36
- (4) 42

10. In which of the following mind games does Arjun have the maximum number of failures?

- (1) Dice
- (2) Dupe
- (3) Digit
- (4) Dynasty

11. What is the number of problems attempted by Arjun in Dance?

- (1) 12
- (2) 15
- (3) 18
- (4) 21

12. What is the net score of Arjun in Dynasty?

- (1) 21
- (2) 22

- (3) 24
- (4) 26

DIRECTIONS for questions 13 to 16: Answer the questions independently of each other.

13. Each of companies A, B and C - have a tradition of rewarding their employees with a bonus, once every year, during Ramzan, Christmas or Deepavali. For each company every year the bonus is paid during the same time. Use the clues below to answer the following question.

- (a) For no two companies is either the amount of bonus paid or the time of the year when bonus is paid the same
- (b) Company B distributes bonus during Deepavali.
- (c) The company that gives Rs.5,000 as bonus is in the manufacturing sector.
- (d) Company, A distributes bonus during Christmas.
- (e) The company that gives a bonus of Rs.10,000 is not in the IT sector.
- (f) The company that gives bonus for Ramzan gives Rs.5,000.
- (g) The company that gives bonus for Christmas gives Rs.12,000 as bonus.

Which of the following is true?

- (1) Company A gives a bonus of Rs.12,000 for Christmas, company B gives a bonus of Rs.5,000 for Deepavali and Company C gives a bonus of Rs.10,000 and is in the IT sector.
- (2) Company B gives a bonus of Rs.10,000 and is in the finance sector. Company C gives a bonus of Rs.5,000 during Ramzan and company A gives a bonus of Rs.12,000 and is in the manufacturing sector.
- (3) Company A gives a bonus of Rs.12,000 and is in the finance sector. Company B gives a bonus of Rs.5,000 during Deepavali and company C gives a bonus of Rs.10,000 and is in the IT sector.
- (4) Company B gives a bonus of Rs.10,000 for Deepavali. Company C gives a bonus of Rs.5,000 and is in the manufacturing sector. Company A gives a bonus of Rs.12,000 and is in the IT sector.

14. Seven people, A through G, sit in a row (not necessarily in the same order). Exactly three people sit between A and G, while exactly three people sit between B and E. Exactly four people sit between C and E, while exactly four people sit between D and G. Exactly two people sit between B and D, while exactly two people sit between C and A. Given that either B or A sits to the immediate right of D, then who sits exactly at the middle of the row?

- (1) C
- (2) B
- (3) F

(4) Cannot be determined

15. According to probability theory, when a normal dice is thrown a large number of times, the probability of each number turning up will be $1/6$. A group of friends decided to try this and got the following results after 50 tries:

All numbers were obtained at least once.

The number of 1's obtained was an even number.

The number of 2's obtained was equal to the number of 5's obtained.

The number of 3's obtained was five times the number of 1's obtained.

Exactly six 4's were obtained.

The number of six's obtained was twenty-two, which was the highest among all the numbers obtained.

What was the total number of odd numbers obtained?

- (1) 22
- (2) 17
- (3) 25
- (4) 18

16. Four friends Ashwath, Charan, Karthik and Srinivas are nicknamed Essi, KK, Kit and Maha, not necessarily in that order.

(i) Karthik is stronger than Essi but can't run as fast as Kit.

(ii) Essi is stronger than Ashwath but weaker than KK.

(iii) Srinivas is faster than Karthik and slower than Maha but weaker than Essi.

Who is nicknamed Maha?

- (1) Karthik
- (2) Ashwath
- (3) Charan
- (4) Srinivas

DIRECTIONS for questions 17 to 20: The questions given below are followed by two statements, I and II. Study the information given in the two statements and assess whether the statements are sufficient to answer the questions and choose the appropriate option from among the choices given below.

17. Did more than 50 employees leave Company A in the year 2002?

I. At the start of 2002, the difference between the number of male and female employees in company A is 90.

II. By the end of 2002, the total number of employees in company A is 50.

- (1) Statement I alone is sufficient and statement II alone is not sufficient to answer the question.
- (2) Statement II alone is sufficient and statement I alone is not sufficient to answer the question.
- (3) Statements I and II together are sufficient but neither statement alone is sufficient to answer the question.
- (4) Both statements I and II together are not sufficient to answer the question and additional data, specific to the problem, is needed.

18. Six persons - Irfan, Jagan, Karan, Lala, Manoj and Niran - participated in a race in which every participant finished in a different time. At least two persons finished before Jagan. The number of persons who finished before Lala is same as the number of persons who finished after Niran. Irfan finished before Manoj. Who finished the race in second position?

- I. Manoj finished the race in third position.**
- II. Only Lala finished the race after Karan.**

- (1) Statement I alone is sufficient and statement II alone is not sufficient to answer the question.
- (2) Statement II alone is sufficient and statement I alone is not sufficient to answer the question.
- (3) Statements I and II together are sufficient but neither statement alone is sufficient to answer the question.
- (4) Both statements I and II together are not sufficient to answer the question and additional data, specific to the problem, is needed.

19. M and N are the father and mother of P respectively. P has four uncles and three aunts. None of the siblings of M and N are married. N has two siblings. How many sisters does M have?

- I. N has two brothers.**
- II. M has a total of 5 siblings.**

- (1) Statement I alone is sufficient and statement II alone is not sufficient to answer the question.
- (2) Statement II alone is sufficient and statement I alone is not sufficient to answer the question.
- (3) Statements I and II together are sufficient but neither statement alone is sufficient to answer the question.
- (4) Both statements I and II together are not sufficient to answer the question and additional data, specific to the problem, is needed.

20. When J and K run a race, J beats K by 20 seconds. When K and L run the same race, K beats L by 40 seconds. Find the speed of K (in m/s).

- I. J beats L by 250 m.**

II. The length of the race track is 1 km.

- (1) Statement I alone is sufficient and statement II alone is not sufficient to answer the question.
- (2) Statement II alone is sufficient and statement I alone is not sufficient to answer the question.
- (3) Statements I and II together are sufficient but neither statement alone is sufficient to answer the question.
- (4) Both statements I and II together are not sufficient to answer the question and additional data, specific to the problem, is needed.

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Verbal Ability

DIRECTIONS for questions 21 to 25: Read the following passage and answer the questions that follow it.

We all know boys who love trains, fire trucks, tools of all kinds, throwing balls, catching balls, spinning until they fall down, chasing cats, tackling dogs, emptying the kitchen drawers of their contents, riding a tricycle, riding a carousel, pretending to be a farmer, pretending to be a cow, dancing, drumming, digging, hiding, seeking, jumping, shouting, and collapsing exhausted into bed wearing Spiderman pajamas after watching a Spiderman cartoon feature.

That doesn't make them unusual; in fact, in many ways, they couldn't be more typical. Which may be why we hear people say "He's definitely all boy." It's a statement that sounds reasonable enough until you think about it. What does "all boy" mean? Masculine? Straight? Something else? Are there partial boys? And what of the fondness some boys have for sunsets and flowers and butterflies?

These are the kinds of questions asked by anxious parents and, increasingly, academic researchers. Much of the focus so far has been on boys falling behind academically, paired with the notion that school is not conducive to the way boys learn. What motivates boys, one argument goes, is different from what motivates girls, and society should adjust accordingly. Others argue that such stereotypical thinking miscasts boys as victims and ignores the very real problems faced by girls. This debate is far from settled and has, in fact given rise to a host of deeper, more philosophical issues, all of which can be boiled down, more or less, to a single question: Just what are boys, anyway?

One of the first so-called boys' books is Michael Gurian's *The Wonder of Boys*. Since its publication in 1996 it has sold more than half-a-million copies, and Gurian, who has a master's degree in writing and has worked as a family counsellor, has become a prominent speaker and consultant on boys' issues. Drawing on neuroscience research done by others, Gurian argues that boy brains and girl brains are fundamentally dissimilar, and that boys are hard-wired to desire a sense of mission. In the nature versus nurture debate, Gurian comes down squarely on the side of the former, and advises that parents and teachers need to understand "boy biology" if they want to help young men succeed. He catches flak in various quarters, however, for supposedly over interpreting neuroscience data to comport with his theories - such as the one that female brains are active even when they're bored, while male brains tend to "shut down". Gurian counters that his work has been misrepresented and that the success of his programs backs up his scientific claims.

Close on Gurian's heels was *Real Boys*, by William Pollack, an associate clinical professor of psychology at Harvard Medical School. He writes that behind their facade of toughness, boys are vulnerable and desperate for emotional connection, but are more likely to express empathy and affection through an activity, like playing together, than having a heart-to-heart talk. Pollack's view of what makes boys the way they are is less rooted in biology than Gurian's. "What neuroscientists will tell you is that nature and nurture are bonded," says Pollack. "How we nurture from the beginning has an effect."

The following year, *Raising Cain*, by Dan Kindlon, an adjunct lecturer in Harvard's School of Public Health, and Michael Thompson, a psychologist in private practice, was published. Their book ends with seven recommendations for dealing with boys, including "recognize and accept the high activity level of boys and give them safe boy places to express it." The book is partially about interacting with boys on their own terms, but it also encourages adults to help them develop "emotional literacy" and to counter the "culture of cruelty" among older boys. It goes beyond academic performance, dealing with issues like suicide, bullying, and romance.

Perhaps the most provocative book of the bunch is *The War Against Boys: How Misguided Feminism Is Harming Our Young Men*, by Christina Hoff Sommers. As the subtitle suggests, Sommers believes that she's found the villain in this story, making the case that it's boys, not girls, who are being short-changed and that they need significant help if they're going to close the distance academically. But that does not mean, according to Sommers, that they "need to be rescued from their masculinity."

Those books were best sellers and continue to attract readers and prompt spirited debate. While the authors disagree on the details, they share at least two broad conclusions: (1) Boys are not girls, and (2) Boys are in trouble. Why and how they're different from girls, what's behind their trouble, and what if anything to do about it-all that depends on whom you read.

21. In this passage, the author raises questions and goes on to

- (1) indicate that we will never really know the answers.
- (2) analyse the answers that different writers provide.
- (3) bring out the shortcomings in the answers that different writers provide.
- (4) present the answers that different writers provide.

22. The author presents, at the end of paragraphs 2 and 3 respectively, 2 questions - "And what of...." and "Just what are...". Which of the following questions would these 2 questions originate from?

- (1) Are interests gender specific?
- (2) Are boys predictable?

- (3) How should boys be dealt with as they grow?
- (4) How are boys different from girls?

23. In the passage, who, among the 4 writers, implies or makes suggestions on how to deal with boys?

- (1) All four
- (2) Sommers, Gurian and Kindlon
- (3) Kindlon and Gurian
- (4) Pollack and Gurian

24. Which of the following statements appropriately represents information or thoughts provided in the passage?

- (1) Pollack and Sommers both feel that the inherent nature of boys must be taken into account as we help them develop.
- (2) While Pollack feels that the way boys are brought up contributes to the way they are, Kindlon feels that they should be dealt with as they are.
- (3) Pollack and Kindlon both feel that boys lack emotional understanding.
- (4) While Gurian feels that boys should be dealt with as they are, Sommers feels that everything depends on the way they're brought up.

25. Which one of the following is NOT representative of a hypothesis that is referred to in the passage?

- (1) Though seemingly tough, boys do seek to connect with others emotionally, particularly through activities such as play.
- (2) The level of mental activity in boys is directly related to their perception of external situations and circumstances.
- (3) Boys have naturally high activity levels, and can make use of and display these in all circumstances.
- (4) Excessive attention to girls can mean that boys do not get as much as they need.

DIRECTIONS for questions 26 to 30: Each question has a set of sequentially ordered statements. Each statement can be classified as one of the following.

- **Facts**, which deal with pieces of information that one has heard, seen or read, and which are open to discovery or verification (the answer option indicates such a statement with an 'F').
- **Inferences**, which are conclusions drawn about the unknown, on the basis of the known (the answer option indicates such a statement with an 'I').
- **Judgements**, which are opinions that imply approval or disapproval of persons, objects, situations and occurrences in the past, the present or the future (the answer option indicates such a statement with a 'J').

Select the answer option that best describes the set of statements.

26. (A) The present government has avowed goals to reduce poverty and stimulate development.
(B) The Prime Minister has acknowledged the need for focussed investment in science and technology by announcing a doubling of related spend in terms of percentage of GDP over the next couple of years.
(C) Parliament's approval for the creation of a National Science and Engineering Research Board, responsible for funding and furthering scientific research, is laudable and a significant step in the right direction.
(D) The Human Resource Development Ministry's efforts to improve the higher education system and the establishment of five new Indian Institutes of Science Education and Research in the past three years should provide a vital boost to the cause of scientific research in India.

- (1) FFJI
(2) FIJI
(3) FIII
(4) JFFJ

27. (A) During the 1990s, there was a spurt in demand in areas that suited the economic reforms and a tendentious turn towards professional employment in the spheres of medical and engineering education, business and hotel management, housing, tourism etc.
(B) Inevitably, higher education became part of industrial growth - hence an industry in itself.
(C) The demands began multiplying and government agencies were hard put to respond to such needs.
(D) The deemed universities became the "ready to respond" tools to such demands and their growth increased.
(E) It was not an organized and wholesome growth, the focus was on quantity and not quality.

- (1) FJIIJ
(2) FIFJJ
(3) JFJFJ
(4) FJFFJ

28. (A) As cinema screens open every other month in malls across the country, cinema hall owners have to offer more than just movies to set them apart.
(B) When PVR Cinemas opened its first multiplex in Delhi, it revolutionised the way we watched movies.
(C) About a decade later, while single-screen theatres in the nation's capital are all but extinct, multiplexes have opened in virtually every major

shopping mall.

(D) Clearly, the future of movie-watching is multiplexes.

(E) With the number of multiplex chains steadily increasing, the age-old question of product differentiation is becoming essential to the business.

- (1) IJFJI
- (2) IFFJI
- (3) FJIFJ
- (4) IJFFJ

29. (A) In the run-up to every general election it has become a ritual for Labour and the Tories to try and outdo each other in courting the sensation-mongering *Sun*.

(B) On the eve of 1997 elections, Tony Blair famously flew half way round the world to meet media-baron Rupert Murdoch to seek his blessings.

(C) And, lo and behold, within days the Sun was shining on him - switching support from the Tories to New Labour enabling the paper, later, to claim credit for the party's landslide victory.

(D) In return for its backing, Mr. Blair effectively hypothecated his government's policies to the Murdoch press.

(E) Much of his Europe agenda, especially the decision to drop the election pledge of a referendum on joining the euro, was driven by his deal with Mr. Murdoch.

- (1) JJJJ
- (2) JFIJ
- (3) FIJJ
- (4) JJFF

30. (A) Just like last year, India has ranked abysmally low in the 2009 gender gap survey conducted by the World Economic Forum.

(B) Indeed, India slipped one position to 114 out of 134 countries, with most indicators, suggesting that conditions for women have worsened rather than improved over the past year.

(C) High economic growth and an increased level of development should have improved the lot of women.

(D) The educational attainment sub-index makes for depressing reading, with almost a quarter of a billion Indian women lacking the basic capacity to read and write.

(E) India ranks remarkably high in the political empowerment sub-index, a result perhaps of a record number of women politicians having been elected to the current Lok Sabha.

- (1) FFJJI
- (2) JIFFI

- (3) FFJJJ
- (4) FFJII

DIRECTIONS for questions 31 to 35: Read the following passage and answer the questions that follow it.

On August 23, 1989, officials from the newly reformed and soon-to-be-renamed Communist Party of Hungary ceased policing the country's militarised border with Austria. Some 13,000 East Germans, many of whom had been vacationing at nearby Lake Balaton, fled across the frontier to the free world. It was the largest breach of the Iron Curtain in a generation, and it kicked off a remarkable chain of events that ended 11 weeks later with the righteous citizen dismantling of the Berlin Wall.

Twenty years later, the anniversary of that historic border crossing was noted in exactly four American newspapers, according to the Nexis database, and all four mentions were in reprints of a single syndicated column. August anniversaries receiving more media play in the U.S. included the 400th anniversary of Galileo building his telescope, the 150th anniversary of the first oil well, and the 25th anniversary of Teenage Mutant Ninja Turtles. A Google News search of "anniversary" and "freedom" on August 23, 2009, turned up scores of Woodstock references before the first mention of Hungary.

Get used to it, if you haven't already. November 1989 was the most liberating month of arguably the most liberating year in human history, yet two decades later the country that led the Cold War coalition against communism seems less interested than ever in commemorating, let alone processing the lessons from, the collapse of its longtime foe. At a time that fairly cries out for historical perspective about the follies of central planning, Americans are ignoring the fundamental conflict of the postwar world.

The consensus Year of Revolution for most of our lifetimes has been 1968, with its political assassinations, its Parisian protests, and a youth-culture rebellion that the baby boomers will never tire of telling us about. But as the pre-eminent modern Central European historian Timothy Garton Ash wrote in a 2008 essay, 1989 "ended communism in Europe, the Soviet empire, the division of Germany, and an ideological and geopolitical struggle...that had shaped world politics for half a century." Without the superpower conflict to animate and arm scores of proxy civil wars and brutal governments, authoritarians gave way to democrats in Johannesburg and Santiago, endless war was replaced by enduring peace in Central America, and nations that had never enjoyed self-determination found themselves independent, prosperous, and integrated into the West. "It was", continues Garton, "in its geopolitical results, as big as 1945 or 1914. By comparison, '68 was a molehill." Perhaps '68 still gets all the headlines

because it happened to more people in the West.

There was much more that changed. The abject failure of top-down central planning as an economic organizing model had a profound impact even on the few communist governments that survived the '90s. Vietnam, while maintaining a one-party grip on power, launched radical market reforms in 1990, resulting in some of the world's highest economic growth in the last two decades. Cuba, economically desperate after the Soviet spigot was cut off, legalized foreign investment and private commerce. And in perhaps the single most dramatic geopolitical story in recent years, China, the country that most symbolized state repression in 1989 has used capitalism to pull off history's most successful anti-poverty campaign.

Perhaps the least appreciated benefits of the Cold War's end have been those enjoyed (if not always consciously) by the side that won. Up until 1989, mainstream Western European political thought included a large and unhealthy appetite for governments owning the means of production. For instance, French President Francois Mitterand nationalized wide swaths of France's economy upon taking office in 1981. By the time the Berlin Wall fell, it was the rule, not the exception, that Western European governments would own all their country's major airlines, phone companies, television stations, gas companies, and much more.

No longer. In the long fight between Karl Marx and Milton Friedman, even the democratic socialists of Europe had to admit that Friedman won in a landslide. Although media attention was rightly focused on the dramatic economic changes transforming Asia and the former East Bloc, fully half of the world's privatisation in the first dozen years after the Cold War, as measured by revenue, took place in Western Europe. European political and monetary integration has turned out to be one of the biggest engines for economic liberty in modern history. It was no accident that, in the midst of Washington's illegal and ill-fated bailout of U.S. automakers, Swedish Enterprise Minister Maud Olofsson, when asked about the fate of struggling Saab, tersely announced, "The Swedish state is not prepared to own car factories."

With no Cold War to prod it, the United States, at least as represented by its elected officials and their economic policies, is no longer leading the global fight for democratic capitalism as the most proven path to human liberation. You are more likely to see entitlement reform in Rome than in Washington (where, against the global grain, the federal government is trying to extend its role).

Ironically, the one consistent lesson U.S. officials claim to have learned about the Cold War is the one that has the least applicability outside the erstwhile East Bloc: that aggressive and even violent confrontation with evil regimes will lead to various springtimes for democracy. It is telling that the victors of an epic economic and spiritual struggle take away conclusions that are primarily military. Telling, and tragic.