

# South America's Economic Pulse: Inflation Surges, Oil Output Rebounds, and

South American Finance · Practice Test · 10 Questions

---

**1. In April 2026, Brazil's consumer price index (IPCA-15) showed a year-on-year increase to 4.4%. What were the primary drivers of this inflation surge?**

- A) A significant drop in agricultural production and a slowdown in manufacturing.
- B) Rising food, housing, and transportation costs, with fuel prices seeing a notable increase.
- C) A sharp decline in global commodity prices and reduced export demand.
- D) Increased government spending on social programs leading to excess liquidity.

**2. What significant development occurred regarding Venezuela's oil production in April 2026, according to U.S. Energy Secretary Chris Wright?**

- A) Production decreased to below 800,000 barrels per day due to renewed sanctions.
- B) Production stabilized at 1 million barrels per day, showing no signs of recovery.
- C) Production surged to 1.2 million barrels per day, a 25% increase over three months.
- D) Venezuela nationalized all foreign oil operations, halting international output.

**3. Chile's new government, under President José Antonio Kast, aims to accelerate copper expansion. By what target year does the administration project annual copper output to reach 6 million metric tons?**

- A) 2030
- B) 2033
- C) 2035
- D) 2028

**4. Paraguay reported a trade surplus in the first quarter of 2026. What was the reported surplus amount, and what sectors were key drivers of export growth?**

- A) US\$25.5 million, driven by automotive parts and electronics.
- B) US\$83.5 million, primarily from soybeans and maquila manufacturing.
- C) US\$150 million, with strong performance in natural gas exports.
- D) US\$50 million, led by tourism and services.

**5. Argentina's economic strategy under President Milei involves managing its exchange rate. What key change was implemented in January 2026 regarding the peso's exchange rate bands?**

- A) The bands began to be adjusted monthly based on the inflation rate from two months prior.
- B) The bands were completely removed, allowing the peso to float freely without intervention.
- C) The bands were fixed for the remainder of 2026 to stabilize the currency.
- D) The bands were adjusted weekly based on US Federal Reserve interest rate changes.

**6. In early April 2026, Brazil's consumer prices rose by 0.89% month-on-month. How did this figure compare to the median economist forecast?**

- A) It was significantly higher than the forecast of 0.98%.
- B) It was exactly in line with the forecast of 0.89%.
- C) It was below the median economist forecast of 0.98%.
- D) There was no forecast available for comparison.

**7. What fiscal measures did Colombia's President Gustavo Petro's government propose in April 2026 to balance the 2026 budget, despite anticipated congressional resistance?**

- A) A reduction in public sector wages and a significant cut to non-essential government spending.
- B) A new tax reform bill and potentially enacting measures by decree following an economic emergency.
- C) An increase in value-added tax (VAT) on all imported goods.
- D) The privatization of state-owned energy companies.

**8. What was the primary concern highlighted by Chile's February 2026 copper output figures, which reached a nine-year low?**

- A) A surplus of copper on the global market leading to price collapse.
- B) Declining ore grades and underperformance at key mines, exacerbating supply concerns.
- C) A significant increase in production costs due to new environmental regulations.
- D) A shift in global demand away from copper towards alternative materials.

**9. Peru's GDP growth forecast for 2026 was revised by BBVA Research. What was the revised forecast, and what factors influenced this adjustment?**

- A) Revised to 3.1%, due to strong performance in the mining sector.
- B) Revised to 2.9%, due to weather conditions and rising international oil prices impacting macroeconomic figures.
- C) Revised to 3.5%, due to increased foreign direct investment.
- D) Revised to 2.5%, due to a significant contraction in the services sector.

**10. In early 2026, Ecuador successfully returned to international capital markets. What was the total amount raised through its bond issuance, and what was a key use of these funds?**

- A) \$2 billion, primarily for infrastructure development.
- B) \$6 billion, to fund social welfare programs.
- C) \$4 billion, to tender for and repurchase existing near-term debt.
- D) \$1 billion, to bolster the national currency reserves.