

Africa's New Financial Frontiers: BRICS Expansion, AfCFTA Trade, and Cross

African Finance · Practice Test · 10 Questions

1. Which new member states joined the BRICS bloc in January 2024, significantly altering its economic and geopolitical landscape?

- A) Nigeria, Kenya, and Senegal
- B) Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates
- C) South Africa, Botswana, and Namibia
- D) Ghana, Morocco, and Tunisia

2. The African Continental Free Trade Area (AfCFTA) aims to boost intra-African trade. Which of the following is a primary challenge hindering its full implementation?

- A) Excessive promotion of exports to non-African markets
- B) Lack of private sector participation and access to finance
- C) Over-reliance on foreign direct investment from Europe
- D) Standardization of product quality above international norms

3. In the context of African sovereign debt restructuring, what is the primary aim of the G20's Common Framework?

- A) To provide direct grants for development projects
- B) To coordinate debt relief for low-income countries, including African nations
- C) To establish new international currency exchange rates
- D) To encourage private sector investment in African infrastructure

4. Which economic agreement between the European Union and an African nation entered into force on July 1, 2024, offering duty-free, quota-free market access for the African country's exports?

- A) The EU-Nigeria Economic Partnership Agreement
- B) The EU-Ghana Economic Partnership Agreement
- C) The EU-Kenya Economic Partnership Agreement
- D) The EU-South Africa Economic Partnership Agreement

5. Remittances from the African diaspora are a significant financial inflow. According to recent estimates, how much did remittances to Africa exceed in 2024, significantly surpassing foreign aid and official development assistance?

- A) Over \$50 billion
- B) Over \$75 billion
- C) Over \$100 billion
- D) Over \$150 billion

6. The Pan-African Payment and Settlement System (PAPSS) is a key initiative for intra-African trade. What is its main objective?

- A) To replace all national currencies with a single African currency
- B) To facilitate payment transactions across Africa using local currencies
- C) To exclusively process payments in US dollars to stabilize African economies
- D) To manage foreign exchange reserves for all African Union member states

7. China has become Africa's largest trading partner. Which policy has China implemented to boost trade with African nations, including extending zero-tariff treatment to 53 African countries?

- A) Imposing tariffs on African agricultural imports
- B) Negotiating innovative free trade agreements and expanding tariff-free lines
- C) Restricting market access for African manufactured goods
- D) Mandating the use of Chinese Yuan for all bilateral trade settlements

8. The African Development Bank (AfDB) has a ten-year strategy (2024-2033) focusing on several development priorities. Which sector is emphasized to be at the heart of the AfDB's work by 2033?

- A) Public administration and governance
- B) Private sector operations
- C) Traditional agriculture and subsistence farming
- D) International diplomacy and treaty negotiations

9. The IMF approved a significant allocation of Special Drawing Rights (SDRs) in 2021. What was the total amount allocated, and what portion approximately reached the African continent under the standard distribution rules?

- A) \$650 billion total, with Africa receiving \$100 billion
- B) \$33 billion total, with Africa receiving \$650 billion
- C) \$650 billion total, with Africa receiving about \$33 billion
- D) \$100 billion total, with Africa receiving \$33 billion

10. In the context of cross-border payments in Africa, what is identified as a major structural problem hindering seamless transactions across the continent?

- A) The universal adoption of a single African currency
- B) Excessive competition among regional payment systems
- C) Fragmented banking systems, regulatory disparities, and limited interoperability
- D) Lack of digital infrastructure and internet access in urban centers