

G7 Nations Grapple with Global Economic Shocks: Inflation, Supply Chains, a

Global Economy · Answer Key · 17 Questions

1. What has been a primary concern for G7 economies regarding cross-border trade, as highlighted by recent climate-related disruptions?

- A) Increased agricultural subsidies
- B) Vulnerability of supply chains to climate risks**
- C) A decline in demand for renewable energy technologies
- D) Reduced reliance on international shipping

2. The war in Ukraine has significantly impacted global commodity prices, particularly for energy and food. Which of the following is a direct economic consequence felt by G7 nations?

- A) A decrease in inflation rates globally
- B) Increased food security and reduced poverty
- C) Exacerbated inflation and supply chain disruptions**
- D) A strengthening of economic ties with Russia

3. G7 trade ministers have expressed concerns about 'economic coercion,' which involves practices that can disrupt global supply chains. Which sector is particularly vulnerable to such coercion, as noted in recent G7 statements?

- A) Luxury fashion
- B) Small-scale artisanal crafts
- C) Critical minerals and technologies**
- D) Traditional media and publishing

4. Beyond geopolitical events, what long-term environmental challenge poses a significant threat to the economic stability of G7 nations through their supply chains?

- A) Increased volcanic activity
- B) The economic impacts of climate change**
- C) Over-reliance on space exploration
- D) A decline in international tourism

5. In response to global economic challenges, the G7 nations have emphasized the importance of strengthening economic resilience and security. What is a key strategy they are pursuing to achieve this?

- A) Reducing international cooperation
- B) Increasing protectionist trade policies
- C) Diversifying and de-risking critical dependencies in supply chains**
- D) Promoting market monopolies

6. Major sporting events, such as the FIFA World Cup, are projected to have a substantial economic impact. For host cities in North America, what is a key sector expected to benefit from increased visitor spending?

- A) Manufacturing of heavy machinery
- B) Tourism and hospitality**
- C) Advanced robotics development
- D) Agricultural exports

7. The G7 actively coordinates responses to global economic challenges. Which of the following is a stated priority for G7 cooperation in recent years?

- A) Expanding fossil fuel production
- B) Strengthening global economic stability and resilience**
- C) Reducing investment in renewable energy
- D) Prioritizing national economic isolation

8. The G7 summit in France in 2026 is expected to focus on addressing structural imbalances in the global economy. What is a key method proposed to achieve this?

- A) Increasing trade barriers
- B) Enhancing international cooperation and dialogue**
- C) Reducing investment in emerging technologies
- D) Limiting participation in global forums

9. Given the interconnectedness of global supply chains, how do climate-related disruptions in one region, like Africa or Asia, potentially affect G7 economies?

- A) They lead to immediate price decreases for all imported goods
- B) They can cause price increases and shortages of various goods**
- C) They have no discernible impact on G7 economies
- D) They primarily benefit G7 export markets

10. What is a notable economic effect on Russia due to its war of aggression against Ukraine, as observed by international economic bodies?

- A) A significant economic expansion and growth
- B) A forecast contraction of its economy**
- C) An increase in foreign direct investment
- D) A diversification of its export markets

11. In the context of economic resilience, G7 trade ministers have warned against 'nonmarket policies and practices' that lead to global structural excess capacity. What is a consequence of this?

- A) Increased market stability and fair competition
- B) Harmful spillovers in global and domestic markets**
- C) Reduced trade tensions and dependencies
- D) Enhanced diversification of supply chains

12. The G7 is committed to addressing climate change. Which of the following is a key focus for G7 nations in aligning trade policies with climate action?

- A) Promoting the use of fossil fuels
- B) Incentivizing the deployment of low-carbon technologies**
- C) Increasing emissions from industrial sectors
- D) Prioritizing economic growth over environmental protection

13. The FIFA World Cup 2026, co-hosted by the United States, Canada, and Mexico, is projected to create significant economic activity. Which of the following is a direct economic benefit anticipated for host cities?

- A) A decrease in local employment
- B) A surge in merchandise sales and broadcast rights revenue**
- C) Reduced investment in local infrastructure
- D) A decline in the tourism sector

14. G7 leaders recognize that global supply chains are exposed to various risks. What is a critical principle they emphasize for building and strengthening resilient supply-chain networks?

- A) Secrecy and limited transparency
- B) Diversification, security, and reliability**
- C) Increased reliance on single suppliers
- D) Reduced cooperation between trusted partners

15. The economic impact of major sporting events is significant. For instance, the 2024 Paris Olympics were expected to generate substantial economic impact through which primary revenue streams?

- A) Agricultural exports and resource extraction
- B) Broadcast rights and tourism**
- C) Manufacturing and industrial production
- D) Technology research and development

16. The Russian economy has faced considerable challenges due to international sanctions and the ongoing conflict. What is a key projection for Russia's economic growth in the near future?

- A) Rapid and sustained economic expansion
- B) A significant decrease in inflation rates
- C) A slowdown or contraction in economic growth**
- D) A substantial increase in oil export revenue

17. G7 nations are working to strengthen supply chains for critical goods, particularly in strategic sectors. Which of the following is identified as a strategic sector requiring enhanced supply chain security and resilience?

- A) Textiles and apparel
- B) Automotive manufacturing
- C) Semiconductors and batteries**
- D) Leisure and entertainment