

North American Financial Markets Brace for Inflationary Pressures Amidst Glo

Finance · Practice Test · 12 Questions

1. As of May 2026, what is the approximate annual inflation rate in the United States, as reported by the Bureau of Labor Statistics?

- A) 3.81%
- B) 2.75%
- C) 4.50%
- D) 3.30%

2. What was the Bank of Canada's benchmark interest rate as of its April 29, 2026, decision?

- A) 2.25%
- B) 2.50%
- C) 2.75%
- D) 3.00%

3. Which of the following factors is cited as a primary driver for the recent surge in U.S. inflation and energy prices in April 2026?

- A) The ongoing war with Iran
- B) A significant increase in domestic oil production
- C) A sudden drop in global demand for refined products
- D) A new round of U.S. government stimulus checks

4. According to reports in May 2026, how is the U.S. Federal Reserve leaning regarding interest rate cuts in the near future, considering persistent inflation?

- A) Maintaining a 'higher for longer' interest rate stance, with no imminent cuts expected.
- B) Actively planning for a 50-basis-point rate cut in June 2026.
- C) Considering a rate hike due to accelerating inflation.
- D) Preparing for a series of aggressive rate cuts throughout the summer.

5. What was the projected budget deficit for Canada in the 2025-2026 federal budget?

- A) \$78.3 billion
- B) \$50.5 billion
- C) \$105.2 billion
- D) \$65.0 billion

6. In April 2026, which sector primarily led the surge in the U.S. stock market, reaching new all-time highs for the S&P 500 and NASDAQ?

- A) Technology companies, driven by AI optimism
- B) Energy companies, due to rising oil prices
- C) Financial services, benefiting from higher interest rates
- D) Consumer staples, due to increased demand for essential goods

7. As of May 2026, what is the approximate annual inflation rate in Canada for March 2026, as reported by Statistics Canada?

- A) 2.4%
- B) 1.8%
- C) 2.0%
- D) 2.8%

8. What major global event is consistently cited as a significant factor contributing to increased inflation and market volatility in North America in early to mid-2026?

- A) The ongoing war in the Middle East
- B) A trade dispute between the U.S. and China
- C) A global pandemic resurgence
- D) Supply chain disruptions from natural disasters in Asia

9. What is the status of new nationwide federal stimulus payments in the USA as of May 2026?

- A) No new nationwide federal stimulus payments have been approved or announced.
- B) A new \$500 stimulus payment is being processed by the IRS.
- C) Several states are issuing one-time federal stimulus checks.
- D) The IRS is preparing to send out a second round of COVID-19 relief funds.

10. Which Canadian bank's economics division expects the Bank of Canada's policy rate to remain at 2.25% through the end of 2027, according to May 2026 forecasts?

- A) Toronto-Dominion Bank (TD)
- B) Royal Bank of Canada (RBC)
- C) Bank of Nova Scotia (Scotiabank)
- D) Bank of Montreal (BMO)

11. As of May 2026, the U.S. Producer Price Index (PPI) for April 2026 showed an annual increase of approximately what percentage, exceeding forecasts?

- A) 6.0%
- B) 4.9%
- C) 3.8%
- D) 5.2%

12. In Canada's 2025-2026 federal budget, what was a key priority area supported by significant new allocations, alongside housing and infrastructure?

- A) Defense
- B) Healthcare
- C) Education
- D) Technology Innovation