

# South Korea's Global Financial Diplomacy: Key Deals, Investments, and Crypt

Global Finance · Practice Test · 12 Questions

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**1. In the first quarter of 2026, South Korea's Foreign Direct Investment (FDI) reached a record high for that quarter, continuing a growth trend despite a global investment downturn. What was the reported FDI amount for this period?**

- A) \$6.41 billion
- B) \$15.18 billion
- C) \$7.14 billion
- D) \$36.05 billion

**2. What is the primary reason cited for the significant decline in South Korea's overseas direct investment in the third quarter of 2026, marking the fourth consecutive quarterly decrease?**

- A) Increased domestic investment opportunities
- B) Global economic uncertainties and tightened monetary policies
- C) A strategic shift towards regional trade agreements
- D) Reduced demand for South Korean technology exports

**3. South Korea's 2025 foreign direct investment (FDI) set a record. Which of the following sectors saw the largest investment in that year, contributing to this record?**

- A) Finance and Insurance
- B) Manufacturing and Services
- C) Real Estate
- D) Mining and Technology

**4. As of April 2026, South Korea's foreign exchange reserves stood at approximately \$427.88 billion. Which position did this place South Korea in globally regarding foreign reserve holdings?**

- A) 1st
- B) 5th
- C) 12th
- D) 20th

**5. The Chiang Mai Initiative Multilateralisation (CMIM) is a regional financial safety net for ASEAN+3 countries, including South Korea. What is a key recent development in the restructuring of CMIM to enhance its effectiveness?**

- A) Transitioning to a commitment-based funding structure
- B) Reducing the total funding limit to \$120 billion
- C) Transitioning to a Paid-in Capital (PIC)-based funding structure
- D) Limiting financial support to only IMF-linked portions

**6. South Korea has implemented significant regulatory changes for virtual asset service providers. What is a key requirement mandated by the amendment to the Act on the Reporting and Use of Specific Financial Transaction Information, which went into effect in March 2021?**

- A) Mandatory registration with the Financial Services Commission
- B) Requirement to acquire an Information Security Management System (ISMS) certification
- C) Provision of real-name bank accounts for customers
- D) All of the above

**7. In March 2026, South Korean lawmakers passed a special act pledging a significant investment in the United States. What is the total amount pledged for investment in U.S. strategic industries and shipbuilding cooperation?**

- A) \$20 billion
- B) \$150 billion
- C) \$350 billion
- D) \$517 billion

**8. Which of the following sectors in South Korea saw a decline in investments in the third quarter of 2026, despite overall global economic uncertainties?**

- A) Manufacturing
- B) Science and Technology
- C) Finance and Insurance
- D) North America

**9. South Korea's ESG finance market has grown significantly, surpassing KRW2,000 trillion (US\$1.5 trillion) by the end of 2024. What is the dominant category within this ESG finance market?**

- A) Environmental (E)
- B) Social (S)
- C) Governance (G)
- D) Integrated ESG

**10. To strengthen economic cooperation and potentially alleviate tariff risks, South Korea passed a special act in March 2026 to facilitate investments in the United States. This act established a specific corporation to implement a Memorandum of Understanding (MOU). What is the name of this corporation?**

- A) Korea-U.S. Strategic Investment Fund
- B) Korea-U.S. Economic Cooperation Agency
- C) Korea-U.S. Strategic Investment Corporation
- D) U.S.-Korea Trade Facilitation Entity

**11. In the context of regional financial cooperation, which initiative was established in August 2003 to focus on local currency bonds and developing the bond market infrastructure within ASEAN+3 economies?**

- A) Chiang Mai Initiative (CMI)
- B) ASEAN+3 Macroeconomic Research Office (AMRO)
- C) Asian Bond Markets Initiative (ABMI)
- D) Chiang Mai Initiative Multilateralisation (CMIM)

**12. South Korea's approach to regulating virtual assets, including strengthening investor safeguards and defining market parameters, is seen as a potential model for other nations. What is a key aspect of South Korea's proposed virtual asset legislation?**

- A) A complete ban on all decentralized finance (DeFi) activities
- B) Focus on investor protection and compliance with DeFi standards
- C) Elimination of all regulatory oversight for cryptocurrency exchanges
- D) Prioritizing offshore companies over domestic players