

South Asia's Shifting Financial Sands: Digitalization, Sustainability, and Culture

South Asia Finance · Answer Key · 15 Questions

1. What has been a significant catalyst for the rapid adoption of digital payment technologies like mobile banking and QR payments in Nepal?

- A) The introduction of credit cards in 1990.
- B) A decline in internet penetration.
- C) The outbreak of the COVID-19 pandemic.**
- D) A government mandate for all transactions to be cashless.

2. In Bangladesh, what is a major environmental consequence of the fast fashion industry's demand for quick and inexpensive clothing production?

- A) Increased use of recycled materials.
- B) Release of toxic dyes into nearby rivers.**
- C) A significant decrease in water consumption.
- D) A shift towards biodegradable fabrics.

3. Bhutan's development model prioritizes Gross National Happiness (GNH). Which of the following is NOT one of the nine domains of GNH?

- A) Psychological well-being
- B) Military strength**
- C) Ecological diversity and resilience
- D) Cultural diversity and resilience

4. Sri Lanka's tourism sector has seen a strong recovery, with a strategic repositioning towards what kind of tourism?

- A) Mass tourism with budget accommodations.
- B) Adventure tourism focused on extreme sports.
- C) Sustainable and high-value tourism.**
- D) All-inclusive package tours targeting large groups.

5. In India, the Unified Payments Interface (UPI) is considered a model for financial inclusion primarily because it:

- A) Primarily serves large corporations and financial institutions.
- B) Imposes significant transaction fees on consumers.
- C) Treats digital payments as public infrastructure with free transactions for consumers.**
- D) Requires a minimum transaction value for all users.

6. What is a significant cultural factor influencing digital banking adoption in Nepal, according to recent studies?

A) A strong individualistic culture.

B) Influence of community leaders and social networks in a collectivist culture.

C) Widespread distrust in technological advancements.

D) A preference for solely physical banking interactions.

7. The economic situation in Pakistan has been significantly impacted by fluctuating inflation rates. What is a primary driver of inflation in Pakistan?

A) A consistent surplus in the national budget.

B) A decrease in the money supply through monetary policy.

C) Excess money supply from expansive monetary policies and political instability.

D) A strong and stable national currency.

8. How has the Maldives' tourism industry, which dominates its economy, presented a strategic opportunity for cultural industries?

A) By limiting foreign investment in cultural projects.

B) By creating a built-in demand for culturally rich experiences from millions of visitors.

C) By encouraging a move away from traditional arts and crafts.

D) By reducing the focus on marine life conservation.

9. What is a major challenge for Bangladesh's garment industry in its pursuit of sustainability, despite its global leadership in green manufacturing?

A) Lack of demand for sustainable clothing.

B) International buyers prioritizing high-cost, less sustainable options.

C) Conflict between international buyers' demand for cost-effectiveness and the need for investment in sustainability.

D) A surplus of skilled labor in sustainable manufacturing.

10. In Sri Lanka, a critical underlying issue hindering business recovery, beyond economic factors, is identified as:

A) A lack of skilled tourism professionals.

B) Pre-crisis organizational cultures and outdated management habits.

C) Insufficient foreign investment.

D) Limited natural tourist attractions.

11. The concept of 'Gross National Happiness' in Bhutan emphasizes that development should be:

A) Solely focused on increasing the Gross Domestic Product (GDP).

B) Prioritizing economic growth above all other factors.

C) Holistic, giving equal weight to non-economic aspects of well-being.

D) Measured only by individual psychological happiness.

12. How has the COVID-19 pandemic influenced the adoption of digital payments in Nepal?

- A) It led to a decreased demand for digital transactions.
- B) It acted as a catalyst, spurring both demand and adaptation to technologies like mobile banking and QR payments.**
- C) It resulted in a complete shift back to traditional cash-based systems.
- D) It had no significant impact on digital payment adoption.

13. In Pakistan, what has been the primary driver of welfare losses for households at the bottom of the expenditure distribution due to recent inflation?

- A) Inflation in transportation costs.
- B) Inflation in food prices.**
- C) Increased energy prices.
- D) Inflation in other non-essential goods and services.

14. The Maldives' tourism sector contributes significantly to its GDP. In 2023, what percentage of the national GDP did travel and tourism directly contribute?

- A) Approximately 10%
- B) Around 24.2%**
- C) Over 76.8%
- D) Less than 5%

15. What is a growing sustainability challenge in Bangladesh's fashion consumption, driven by social media trends?

- A) Consumers increasingly wearing outfits multiple times for environmental reasons.
- B) A reluctance to buy new clothes due to high prices.
- C) The social expectation to avoid repeating looks online, driving higher consumption and waste.**
- D) A shift towards minimalist wardrobes with fewer items.