

# Europe's Economic Pulse: Inflation, Digital Markets, and Energy Reforms

European Economy · Answer Key · 18 Questions

---

**1. Which European country, besides Romania, is projected to have notably low inflation below 1% in 2024, according to EY's European Economic Outlook?**

- A) Germany
- B) Denmark**
- C) Italy
- D) Netherlands

**2. As of June 2026, what is the projected average headline inflation rate for the euro area for the year 2026, according to the European Central Bank's baseline scenario?**

- A) 2.0%
- B) 2.3%
- C) 3.0%**
- D) 1.8%

**3. The Digital Services Act (DSA), which became fully applicable in EU member states on February 17, 2024, aims to create a safer and more predictable online environment. Which of the following is a primary objective of the DSA?**

- A) To promote monopolistic practices among large tech companies
- B) To exempt online platforms from all liability
- C) To protect fundamental rights and user safety online**
- D) To reduce competition within the EU's single market

**4. In response to the energy crisis and to accelerate the transition to clean energy, the REPowerEU Plan aims to achieve several goals. Which of the following is NOT a stated goal of the REPowerEU Plan?**

- A) Save energy
- B) Diversify energy supplies
- C) Increase reliance on Russian fossil fuels**
- D) Produce clean energy

**5. According to the IMF's Regional Economic Outlook for Europe (October 2024), what is a key factor dampening the near-term economic outlook for Europe?**

- A) Excessive government spending
- B) Strong labor market growth
- C) Uncertainty about persistent core inflation and geopolitical conflicts**
- D) Rapid technological advancements

**6. The EU's Digital Markets Act (DMA) designates certain large digital platforms as 'gatekeepers'. As of September 2023, how many companies were identified as 'gatekeepers' under the DMA, with their services considered 'core platform services'?**

- A) Four
- B) Five
- C) Six**
- D) Seven

**7. Regarding venture capital in Europe, what trend was observed in the first quarter of 2024, according to data from ScaleMetrics?**

- A) A significant increase in venture deal value and number of deals
- B) A decrease in venture deal value and number of deals**
- C) A stabilization of venture deal value with an increase in the number of deals
- D) An increase in venture deal value with a decrease in the number of deals

**8. The European Central Bank (ECB) raised its key interest rates by 25 basis points in June 2026. What was the primary driver cited by the ECB for this decision?**

- A) A sharp decrease in energy prices
- B) Robust economic growth across the Eurozone
- C) Persistent inflation pressures from the Iran-related energy shock**
- D) A decline in the unemployment rate

**9. What is a key reform implemented under the EU Electricity Market Design Reform (2024) to protect consumers from price volatility?**

- A) Elimination of all long-term contracts
- B) Encouraging exclusive reliance on dynamic-price contracts
- C) Promoting long-term contracts like Power Purchase Agreements (PPAs) and Contracts for Difference (CfDs)**
- D) Increasing the dependence on fossil fuel-based energy sources

**10. In 2024, the UK, France, and Germany were the leading countries in Europe for startup funding. Approximately what share of total funding to Europe's startups did the UK represent in 2024?**

- A) Around 15%
- B) Around 25%
- C) Around a third**
- D) Around 50%

**11. The European Commission's Fifth Annual Report on FDI screening in the EU (published October 2025) provides an overview of FDI trends in 2024. Which country retains its status as the top foreign investor in the EU, accounting for around 30% of acquisitions?**

- A) China
- B) United Kingdom
- C) United States**
- D) Japan

**12. As of February 2024, the Digital Services Act (DSA) is fully applicable across all EU member states. What is a key obligation for organizations subject to the DSA?**

- A) To cease all online operations within the EU
- B) To provide greater transparency on their services**
- C) To limit user access to information about their services
- D) To exclusively use algorithmic profiling for targeted advertising

**13. According to the Conference Board's long-term economic forecast (December 2024), what is the projected baseline Euro Area growth per year over the next fifteen years?**

- A) 1.5%
- B) 1.1%
- C) 0.9%**
- D) 0.5%

**14. In the context of the EU's response to the energy crisis, which of the following is a key achievement mentioned in the State of the Energy Union Report 2024?**

- A) An increase in reliance on Russian gas imports
- B) A surge in energy prices significantly above 2022 peak levels
- C) A reduction in Russian gas share in EU imports to 18% by June 2024**
- D) A decrease in the use of renewable energy sources

**15. The EU's Digital Markets Act (DMA) entered into force with substantial effects starting in March 2024. What is a primary aim of the DMA?**

- A) To promote monopolistic practices by large digital platforms
- B) To ensure fair competition and contestability in the digital market**
- C) To restrict innovation by tech companies operating in the EU
- D) To reduce user rights and transparency regarding digital services

**16. What was the approximate total value of EU-US trade in goods and services in 2024, according to EU data?**

- A) EUR1.5 trillion
- B) EUR1.7 trillion**
- C) EUR865.2 billion
- D) EUR910.6 billion

**17. In 2024, which sector led investment to Europe's startups, with over \$11 billion invested, according to Crunchbase data?**

- A) Financial Services
- B) Artificial Intelligence (AI)
- C) Healthcare/Biotechnology**
- D) Fintech

**18. According to the European Commission's 2024 Winter interim Economic Forecast, how is inflation set to trend in the EU?**

- A) To increase faster than projected
- B) To remain stagnant
- C) To slow down faster than projected**
- D) To remain at 2023 levels