

# EU's Digital Future: Euro, AI, and Sustainable Finance Trends

EU Finance · Answer Key · 8 Questions

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**1. Which of the following is a key objective for the EU in developing a digital euro?**

- A) To replace all physical cash entirely.
- B) To promote European firms and reduce reliance on US payment systems.**
- C) To exclusively facilitate cross-border transactions within the Eurozone.
- D) To offer a platform for cryptocurrency trading and investment.

**2. What is a significant trend in European fintech predicted for 2024, particularly concerning Artificial Intelligence?**

- A) A complete ban on AI in financial services due to ethical concerns.
- B) The integration of AI to enhance back-office operations and customer-facing experiences.**
- C) A shift away from AI towards purely human-driven financial advice.
- D) AI's primary role being limited to fraud detection only.

**3. In the realm of sustainable finance, what has been a notable development in the EU as of December 2024?**

- A) The complete phasing out of all ESG-related regulations.
- B) Key legislative building blocks like the EU Taxonomy, CSRD, and SFDR are now in place.**
- C) A significant reduction in investment in green bonds due to market volatility.
- D) The EU has abandoned its sustainability goals in favor of economic growth.

**4. According to recent economic forecasts for the EU, what is the projected trend for headline inflation in 2024 and 2025?**

- A) A significant increase in inflation for both years.
- B) A steady decline in inflation, with the euro area expected to reach 2.4% in 2024 and 2.1% in 2025.**
- C) Inflation is expected to remain above 5% for both years.
- D) A slight increase in inflation in 2024 followed by a decrease in 2025.

**5. The European Parliament recently adopted reforms to revise the EU's economic governance framework. Which of the following is a key component of these reforms?**

- A) Replacing the European Central Bank with a new fiscal authority.
- B) Revising the preventive and corrective arms of the Stability and Growth Pact (SGP).**
- C) Eliminating all fiscal rules for member states to encourage spending.
- D) Introducing a single, unified EU tax system for all member states.

**6. Which of the following is a major trend identified in European fintech for 2024, related to how payments are integrated into other services?**

A) A focus on exclusively card-based payment systems.

**B) The emergence of embedded payments, seamlessly integrating into various platforms and devices.**

C) A significant decrease in the adoption of digital wallets.

D) A return to paper-based transaction methods.

**7. What is a key concern for the EU regarding its economic competitiveness and future, as highlighted in recent outlooks?**

A) Over-reliance on renewable energy sources.

**B) A long-term fall in competitiveness, with challenges like labor shortages and regulatory burdens.**

C) Excessive government spending by all member states.

D) A lack of technological innovation across the continent.

**8. Regarding the digital euro, what is a key feature emphasized for user privacy and transaction confidentiality?**

A) All transactions will be publicly recorded on a blockchain.

B) Transactions will be identifiable by the European Central Bank for security purposes.

**C) The system will include an offline mode offering confidentiality similar to cash transactions.**

D) Users will be required to disclose their personal financial history for every transaction.