

Mock Exam for Css - 2025

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Batch # 059 (online)

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Current Affairs

Q5: US-China rivalry is shaping into increasing currency war where US wants the continuation of dollarization of international trade while China wants to de-dollarize it.

Analyze?

Ans: The US-China currency war is shaping into complex and multifaceted issue, with far-reaching implications for global trade, finance, and geopolitics. Here's a detailed analysis:

US Objectives:-

1. Maintain dollar dominance: The US wants to preserve the dollar's status as the global reserve currency, ensuring its continued influence.
2. Protect economic interests: The US aims to safeguard its economic interests, including trade balances, investment, and financial stability.

China's objectives:-

1. De-dollarization: China seeks to reduce its dependence on the dollar and promote the use of its currency, the renminbi (RMB), in international transactions.
2. Belt and Road Initiative (BRI):

Increase global influence: By promoting the RMB, China aims to increase its global economic influence and challenge the dollar's dominance.

China's Strategies:

- 1- RMB internationalization: China is promoting the use of RMB in international trade, investment, and financial transactions.
- 2- Belt and Road Initiative (BRI): China's BRI aims to create a vast network of trade routes, participating countries.
- 3- Alternative payment system: China is developing alternative payment systems, such as the Cross-Border Interbank Payment System (CIPS), to reduce reliance on dollar-based systems.
4. Gold reserves: China is increasing its gold reserves, potentially to back the RMB and reduce dependence on the dollar.

US Responses:

- 1- Tariffs and trade restrictions: The US has imposed tariffs and trade restrictions on China to limit its economic growth and influence.
- 2- Sanctions: The US has imposed sanctions on Chinese individuals and entities to restrict their access to dollar-based financial systems.
- 3- Dollar strength: The US aims to maintain a strong dollar, making it more

attractive for international use and investment.

Implications :-

- 1- Global trade and finance: The Currency war could lead to increased trade tensions, reduced investment, and financial instability.
- 2- Emerging markets: The rivalry could impact emerging markets, potentially leading to currency fluctuations and economic instability.
- 3- Geopolitical tensions: The Currency war could exacerbate geopolitical tensions, particularly in regions like Asia, where both US and Chinese influence is significant.

Question no: 6

Q: Israel as a democratic state, two state or apartheid state or ethnic cleaning are the four major options with Israel to deal with Palestine? Analyze the statement?

Ans: The Israel-Palestinian conflict is complex, with four possible approaches:

1- Democratic State:

A single, democratic state for both Israeli and Palestinians, with equal rights and citizenship for all.

PROS :-

- Ensures equal rights and representation for Palestinians.
- Potentially resolves the conflict through integration.

Cons :-

- May lead to a binational State, Challenging Israel's Jewish identity.
 - Requires Significant Political and Social Changes
1. Two-State Solution :-

Separate States for Israel and Palestine, with negotiated borders and Sovereignty.

Pros :-

- maintain Israel's Jewish identity and democratic character
- Provides Palestinians with Self-determination and Statehood.

Cons :-

- Complex negotiations and border disputes
 - Settlements and Jerusalem Status remain contentious issues.
1. Apartheid State :-

A State with separate, unequal rights for Israelis and Palestinians, reminiscent of apartheid-era South Africa.

Pros :-

None

Cons :-

- Grave violation of human rights and international law.
- Destroys any possibility of peaceful coexistence.

- Analysis :-

- The democratic state option faces significant political and social hurdles but offers a potential path to equal rights and integration.
- The two-state solution, despite challenges, remains the most widely accepted approach, aiming to balance Israeli and Palestinian interests.

Q7: Iran-Israel tension has tremendously increased after the killing of Israel Haniya. Critically evaluate the evolving situation in the Middle East. How the tension could be reduced?

- The Iran-Israel tension has escalated since the killing of Ismail Haniyeh, with both countries engaging in proxy wars and cyberattacks. The situation is critical with potential regional consequences. To reduce tension:
 - Diplomatic effort: Encourage dialogue and negotiations
 - Conflict resolution mechanisms: Establish frameworks for resolving disputes.
 - Economic incentives: Offer benefits for cooperation and de-escalation.

Q8: Islamabad-Kabul tension is persistently lingering on due to the safe heavens to TTP in Afghanistan. Critically evaluate

the situation. Give possible recommendations
Ans: Islamabad-Kabul tension persists due to the presence of Tehrik-i-Taliban Pakistan (TTP) in Afghanistan.

Recommendations:

- Diplomatic engagement: Pakistan and Afghanistan should engage in dialogue to address concerns.
- Counter-terrorism Cooperation: Collaborate on counter-terrorism efforts.
- Economic Cooperation: Enhance trade and economic ties to promote mutual interests.