

Corrigendum/Explanation SFG 2026 Level 1 Test 5 (CSAT)

There are no changes to the solutions/answers. Explanations have been provided for the students who have raised doubts.

In Q.24) There was a doubt raised with respect to statement c and statement d of the question as correct inference.

Explanation- Option a is the correct inference.

Option c is incorrect inference as the passage states that “While this trend (de-dollarization) signals a move toward a **more multipolar financial system, the dollar continues to dominate due to its liquidity, institutional trust, and role in global markets.**” From here, we cannot infer that the “multipolar financial order will reduce the stabilising role traditionally played by the US dollar”.

Option d is incorrect inference as the passage states “de-dollarization reflects deeper shifts in the global financial order. Several countries are exploring trade settlements in local currencies and diversifying foreign exchange reserves to reduce dependence on the US dollar”. **It talks about reducing dependence on US Dollar and not on complete isolation from any Dollar centric risks.** Hence it is incorrect inference.

Option a is the correct inference as the passage states that “De-dollarization therefore represents not an abrupt replacement, but a gradual rebalancing shaped by geopolitical considerations, financial stability concerns, and evolving economic alliances”. Therefore from here we can infer that De-dollarization is likely to progress unevenly across countries depending on their geopolitical alignments and financial capacities.

In Q.38) There was a doubt raised with respect to statement I of the question as correct assumption.

Explanation- Statement I is incorrect

The passage mentions that intangible cultural heritage is “an important factor in maintaining cultural diversity in the face of growing globalization.” This implies that globalization poses a challenge to cultural diversity, but it **does not state that there is homogenization** occurring through globalization **which is in turn eroding the cultural heritage**. According to the passage, **there may be challenges to cultural diversity, but there is no mention of homogenization of culture or erosion of culture, occurring due to globalization.** Therefore, this assumption is not supported by the passage.