

This document contains four thought-provoking verbal reasoning questions followed by analytical explanations, designed to reflect the format and content commonly found in the EPSO Verbal Reasoning tests. It is an excerpt from my upcoming book, *EPSO 2026*, crammed with dozens of quality questions and set to be released in the coming months.

I hope you find this document both insightful and helpful. Please feel free to reach out with any feedback, comments, or requests for additional exercises - I'm happy to assist!

## EXERCISES

1. The Corporate Sustainability Reporting Directive (CSRD) is a significant EU regulation aimed at enhancing corporate sustainability disclosures. It mandates that *large companies* disclose detailed sustainability information on their environmental, social and governance (ESG) factors to promote transparency and comparability of sustainability information and assist investors and stakeholders in assessing corporate sustainability performance. CSRD replaces the Non-Financial Reporting Directive (NFRD) and introduces stricter reporting requirements. It requires companies to obtain limited assurance from a third-party verifier in their first reporting year, with the capacity for reasonable assurance in the future. However, some business leaders have criticized the CSRD for its complexity and potential impact on competitiveness. The European Commission is currently reviewing these regulations to balance sustainability goals with economic considerations.

Which of the following statements is correct?

- A) The NFRD did not mandate companies to obtain limited assurance from a third-party verifier.
- B) Managing ESG factors may ultimately impact the financial interests of the European Commission.
- C) Small and Medium-sized companies cannot apply the CSRD guidelines when producing their sustainability reports.
- D) Investors and other stakeholders require information on a company's ESG performance to make informed investment decisions.

2. Erasmus lost his parents to the plague while he was in Paris, and from that point on, he primarily spoke Latin rather than Dutch, except for his final words in 1536, "Lieve God" (Lord God), on his deathbed in Basle. He wrote influential literary works that impacted writers like Shakespeare and Rabelais in many cities such as Cambridge, Oxford, Orleans, Bologna, and Venice. His masterpiece, *In Praise of Folly*, was inspired during his journey across the Alps after three years in Italy, and he wrote it in just one week while staying with his close friend, Thomas More, in London. As a true cosmopolitan, Erasmus was deeply connected with Europe's greatest philosophers, from Rudolf Agricola to Martin Luther, earning him the title of the first genuine European.

Which of the following statements is correct?

- A) Erasmus found the inspiration for his masterpiece *In Praise of Folly* during a three year stay in Italy.
- B) Erasmus's last words were "Lieve God" and were spoken in Latin.
- C) Erasmus wrote his undisputed masterpiece in England, in one week.
- D) When writing his great literary works, Erasmus was strongly influenced by other men of letters, such as Shakespeare and Rabelais.

**3.** Economic research has revealed a growing trend among one in six Europeans of storing cash at home rather than investing it. An estimated €35 billion is currently concealed in households across the EU countries. While people have various reasons for keeping cash hidden, 8% do so to keep it away from their partners and 5% believe that their money is safer at home than in a bank. However, researchers argue that this behaviour is financially unwise, causing Europeans to forgo up to €1 billion in interest annually by not putting their money in the banking system. This practice, of retaining at home surplus cash, ultimately disadvantages those who rely on it, as the hidden money remains unproductive and at risk, whereas it could instead generate returns through investments or high-interest savings accounts.

Which of the following is true?

- A) 13% of Europeans prefer storing cash at home rather than investing it.
- B) The average annual interest rate offered by European Banks is approximately 3%.
- C) The majority of people who hide cash on their property do so because they either do not trust the bank or they are hiding it from their partner.
- D) More EU citizens hide away money in their home because they consider it safer than because they do not trust their partners.

**4.** The European Parliament is open to all visitors. Both during and outside parliamentary sessions, individuals are welcome to explore its three working locations: Strasbourg, Brussels, and Luxembourg. Visits typically last between one and three hours and generally include a presentation by an official explaining the Parliament's functions. Depending on availability, visitors may also watch an informational video or participate in a meeting organised with a Member of the European Parliament (MEP). When possible, they may be granted access to observe a plenary session. However, a minimum age of fourteen is required for this part of the programme.

Which of the following statements is correct?

- A) It is necessary to be aged over fourteen to attend the showing of a video in Brussels on the work of the European Parliament.
- B) The presentation comprising a visit to one of the three sites where the European Parliament carries out its work lasts an average of two hours
- C) It is possible to visit the European Parliament even during the parliamentary recesses.
- D) All the citizens of Member States of the European Union have the possibility of attending a plenary session.

## ANALYTICAL EXPLANATIONS

1. The correct statement is **D**: *Investors and other stakeholders require information on a company's ESG performance to make informed investment decisions.*

**Explanation:** The CSRD aims to improve transparency and comparability of sustainability disclosures, which helps investors and stakeholders assess a company's sustainability performance, including ESG factors. According to the passage, this is essential for informed decision-making.

Here's why the other options are incorrect:

- A is incorrect. The passage specifies that the CSRD requires third-party verification of reports, but it doesn't mention anything about the NFRD's requirements for third-party assurance.
- B is wrong as well. While managing ESG factors may actually influence the financial interests of companies or investors within EU, the European Commission's role is to promote transparency and comparability rather than manage *its own* financial interests.
- C. Small and medium-sized enterprises (SMEs) are exempt from *the obligation* to publish their ESG reports according to the CSRD which makes reporting mandatory for the large companies. This exemption does not mean that small and medium-sized companies cannot use the CSRD guidelines, only that they are not mandated to.

2. The correct statement is **C**: *Erasmus wrote his undisputed masterpiece in England, in one week.*

**Explanation:** The text clearly states that Erasmus wrote *In Praise of Folly* in one week while staying at Thomas More's house in London. Statement C matches the passage exactly.

Regarding the other options:

- A is incorrect. The text says he was inspired *while crossing the Alps after three years spent in Italy*, but not that the inspiration came directly during the stay in Italy. It was during his journey afterward that he found the inspiration.
- B is partly incorrect – The text explicitly mentions that his last words were "*Lieve God*" (*Lord God*) but were spoken in Dutch, not Latin. Therefore, this statement is incorrect.
- D is also incorrect. According to the passage, Erasmus' works influenced writers like Shakespeare and Rabelais, rather than were influenced by these writers. The causality is reversed here.

3. The correct answer is **B**: *The average annual interest rate offered by European banks is approximately 3%.*

**Explanation:** According to the passage, the total amount of money stored at home = €35 billion, while the annual interest forgone = €1 billion. To find the *implied interest rate*, we divide the interest forgone by the total amount:  $1 \text{ billion} / 35 \text{ billion} = 0.02857 \approx 2.86\%$ . So, the implied average annual interest rate offered by European banks is approximately 3%.

Let's see why the other options are false:

- A is incorrect. The passage states that *one in six* Europeans store cash at home, which is approximately 16.67%, not 13%.
- C is incorrect. The passage provides specific reasons only for 8% (hiding from partners) and 5% (believing it's safer at home), which together account for 13% of those who store cash at home. However, we are not given any information about the remaining 87%, meaning we cannot conclude that the majority (more than 50%) hide cash for these two reasons.
- D is clearly false. According to the passage, 5% hide money because they believe that it is safer at home, while 8% do so to keep it from their partners. Since 8% is greater than 5%, the statement contradicts the passage.

4. The correct answer is **C**: *It is possible to visit the European Parliament even during the parliamentary recesses.*

**Explanation:** According to the passage "*Both during and outside parliamentary sessions, individuals are welcome to explore its three working locations...*" This statement implies that visits to the European Parliament are allowed during both active parliamentary sessions and recesses and thus C is the correct answer.

Let's evaluate the other options:

- A is incorrect. The passage mentions that the minimum age of fourteen is required to observe a plenary session; it makes no mention of age restrictions for video attending.
- B is wrong. The passage says that visits "*typically last between one and three hours,*" but it does not specify an "average" duration of presentation of two hours.
- D generalizes. The passage does not state that *all* EU citizens can attend a plenary session. It only mentions that visitors may be granted access "*when possible*" and it specifies that a minimum age of fourteen is required for attending a plenary session.