

國立高雄大學 101 學年度研究所碩士班招生考試試題

科目：總體經濟學  
考試時間：100 分鐘

系所：應用經濟學系  
本科原始成績：100 分

是否使用計算機：否

I. Multiple-Choice Questions (40 points):

1. A profit-maximizing firm hires labor until

- a. the price of output equals the price of labor.
- b. the price of output equals the marginal product of labor
- c. the real wage equals the marginal product of labor.
- d. the real wage equals the marginal product of labor multiplied by the price of output.

2. Let  $C = 200 + 0.8(Y - T)$ , planned investment equals 150, and  $T$  equals 200. If the equilibrium level of income is 2,000, then the level of government spending needed to make this true is

- a. 210.
- b. 250.
- c. 50.
- d. 10.

3. If the demand for money is  $M^d = 100 + 0.25Y - 100r$  and then the increase in money demand rises by 50, the LM curve shifts to the

- a. right by 200.
- b. right by 100.
- c. left by 200.
- d. left by 100.
- e. none of the above.

4. According to the Keynesian view, the focus of stabilization policies

- a. is to keep the economy at its equilibrium level in the face of shocks to aggregate demand.
- b. should be to keep the economy at its equilibrium level in the face of shocks to aggregate supply.
- c. is on the short run.
- d. All of the above.

5. Assuming that capital are perfectly mobile. In a floating exchange rate system, an increase in the value of the exchange rate could be caused by

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- a. an increase in taxes.
  - b. a decrease in government spending.
  - c. a decrease in the domestic money supply.
  - d. a decrease in exports.
6. The balance-payment schedule will be steeper the
- a. more responsive capital flows are to the interest rate.
  - b. less responsive capital flows are to the interest rate.
  - c. smaller the marginal propensity to import.
  - d. less likely an expansionary fiscal policy will lead to a balance of payments deficit.
7. In the classical model, a rise in the marginal income tax rate would
- a. cause the price level to rise and the level of real output to fall.
  - b. cause the price level and the level of real output to both fall.
  - c. cause the price level to rise with no effect on real output.
  - d. leave both real output and the price level unchanged
8. What factor(s) influence the levels of real output and employment in the classical system?
- a. the quantity of money.
  - b. level of technology.
  - c. the price level.
  - d. both b and c.
9. Which of the following statements is (are) correct? Critics of the real business cycle model
- a. question whether technology has ever been the cause of a recession.
  - b. do not deny that some technology shocks affect many industries. However, they do not believe that there are enough of these shocks to explain recessions where output falls too as much as 10 percent below potential output.
  - c. argue that aggregate supply changes drive most business cycles.
  - d. All of the above
  - e. None of the above

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10. The higher the interest sensitivity of investment, the

- a. less effective is monetary policy and the more effective is fiscal policy.
- b. more effective are both monetary and fiscal policies.
- c. less effective are both monetary and fiscal policies.
- d. less effective is fiscal policy and the more effective is monetary policy.

11. In the face of an increase in oil prices, if the government's primary objective is to keep prices from rising, then policymakers should

- a. reduce taxes.
- b. reduce the money supply.
- c. increase government spending.
- d. increase aggregate supply through regulation.

12. Friedman's theory of money demand differs from Keynes' in that

- a. Friedman assumes that the demand for money is highly elastic while Keynes assumes money demand is inelastic.
- b. Friedman assumes that the money demand function is highly stable while Keynes assumes it is unstable.
- c. Friedman assumes that there is only a speculative demand for money while Keynes also considers the precautionary and transactionary demands for money.
- d. Friedman assumes that the proportion of income held in the form of money is constant while Keynes believes it varies.
- e. both b and d.

13. Which of the following statements is (are) correct? Keynesians criticize the new classical theory because

- a. the new classical model cannot explain changes in expectations.
- b. of the contracting market characterization of the labor market in the assumption.
- c. the rational expectations assumption ascribes an extreme and unrealistic availability of information to market participants.
- d. All of the above

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14. Which of the following statements is correct? With respect to efficiency wage models,

- a. their key element is an explanation of why the efficiency (or productivity) of workers depends on the real wage.
- b. the rationale underlying those models implies that firms will set the real wage above the market clearing level.
- c. they explain a real wage rigidity.
- d. all of the above

15. Which of the following statements is (are) correct?

- a. Under a fixed exchange rate system, potential conflicts arise between the goals of internal balance and external balance.
- b. With a fixed exchange rate system, a central bank has to give up control over domestic interest rates but retains control over inflation.
- c. Countries may find that expansionary policies, which might be desired in order to reduce the unemployment rate, may lead to income levels that are too low to balance the trade account and could lead to balance of payments surpluses.
- d. Both a and c
- e. Both b and c

16. According to the Taylor rule, if actual inflation is greater than the target level, then the Fed should

- a. decrease interest rates.
- b. increase interest rates.
- c. conduct open market sales.
- d. both a and c.

17. The production function  $Y = AK^\alpha L^{1-\alpha}$ , where  $\alpha$  is less than one, exhibits

- a. constant returns to scale.
- b. diminishing marginal returns to scale.
- c. increasing returns to scale.
- d. decreasing returns to scale.
- e. both a and b.

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18. In the neoclassical growth model, an increase in the saving rate will
- increase the long-run equilibrium rate of growth in output.
  - reduce the short-run equilibrium rate of growth in output.
  - leave the long-run equilibrium rate of growth in output unchanged.
  - a temporary increase growth in the transition period.
  - both c and d.
19. Steady-state growth refers to
- intermediate-run periods.
  - long-run equilibrium growth.
  - output determination in the short run.
  - None of the above
20. According to the concept of rational expectations
- budget deficits are irrelevant to output in the short-run.
  - higher deficits should increase output in the short-run if they are expected.
  - lower deficits can be used to stabilize output during expansions.
  - none of the above.

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II. Essay Questions (60 points)

1. (30 points) Read the following paragraphs or sentences extracted from an article written by Paul Krugman on December 1<sup>st</sup>, 2011 in *New York Times* and answer the following questions:

“Can the euro be saved? Not long ago we were told that the worst possible outcome was a Greek default. Now a much wider disaster seems all too likely.

... Although Europe’s leaders continue to insist that the problem is too much spending in debtor nations, the real problem is too little spending in Europe as a whole. And their efforts to fix matters by demanding ever harsher austerity have played a major role in making the situation worse.

...policy makers would have to accept temporarily higher inflation for the euro area as a whole. And they’ve made it clear that they won’t.

...For in America, as in Europe, the economy is being dragged down by troubled debtors — in our case, mainly homeowners. And here, too, we desperately need expansionary fiscal and monetary policies to support the economy as these debtors struggle back to financial health. Yet, as in Europe, public discourse is dominated by deficit scolds and inflation obsessives.

So the next time you hear someone claiming that if we don’t slash spending we’ll turn into Greece, your answer should be that if we do slash spending while the economy is still in a depression, we’ll turn into Europe. In fact, we’re well on our way.”

(a) (15 points) Use macroeconomics theories to explain why in Europe, public discourse, or discussion, is dominated by deficit scolds and inflation obsessives? Is it good for the current economy of Europe?

(b) (15 points) Use macroeconomic theories to comment the sentences that “...the next time you hear someone claiming that if we don’t slash spending we’ll turn into Greece, your answer should be that if we do slash spending while the economy is still in a depression, we’ll turn into Europe.”

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2. (30 points) Suppose that a country's production function is constant return to scale and have the form  $Y = F(K, AL)$ . Assume that both labor and capital are paid their marginal product. Let  $w$  denote  $\partial F(K, AL)/\partial L$  and  $r$  denote  $[\partial F(K, AL)/\partial K] - \delta$ . Define  $k = K/AL$ ,  $y = Y/AL$ , and  $f(k) = F(k, 1)$

(a) Show that the marginal product of labor,  $w$ , is  $A[f(k) - kf'(k)]$ .

(b) Show that total amount paid to the factors of production equals total net output. That is, show that under constant returns,  $wL + rK = F(K, AL) - \delta K$ .

Assume that a country's production function now is  $Y = F(K, AL) = AK^{0.3}L^{0.7}$ . The ratio of capital to output is 3, the growth rate of output is 3 percent, and the depreciation rate is 4 percent. Capital is paid its marginal product.

(c) What must the saving rate be to achieve the Golden Rule level of capital?