

科目	經濟學	適用系所	財務金融學系	時間	100分鐘
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※請務必在答案卷作答區內作答。

共8頁第1頁

**Part I 單選題 (每題2.5分，共50分,請以 A, B,C,D 作答)**

- The marginal rate of technical substitution (RTS) of labor for capital measures
  - the amount by which capital input can be reduced while holding quantity produced constant when one more unit of labor is used.
  - the amount by which labor input can be reduced while holding quantity produced constant when one more unit of capital is used.
  - the ratio of total labor to total capital.
  - the ratio of total capital to total labor.
- For the cost function  $C = 100 + .3q$ ,
  - marginal cost is constant.
  - average cost is U-shaped.
  - fixed costs diminish with  $q$ .
  - all of the other answers are correct.
- If the firms in perfectly competitive industries each have a production function given by  $q = k^{1/4} l^{3/4}$  and the price elasticity of demand for the industry's output is -1, the wage elasticity of demand for labor by the industry will be
  - 0.
  - $-\infty$
  - 1.
  - 2
- In a competitive market, an efficient allocation of resources is characterized by
  - a price greater than the marginal cost of production.
  - the possibility of further mutually beneficial transactions.
  - the largest possible sum of consumer and producer surplus.
  - a value of consumer surplus equal to that of producer surplus.
- The "Classical Dichotomy" refers to
  - a distinction between "value in use" and "value in exchange."
  - separate theories of demand and supply.
  - the possibility of Giffen's Paradox
  - determination of relative prices independent of the nominal price level.
- A price discriminating monopolist having identical costs in two separated markets should charge a higher price in that market
  - which has a higher demand.
  - which has a more elastic demand.
  - which has a less elastic demand.
  - which has a higher marginal revenue.

7. One possible benefit of a monopoly is
- a more efficient allocation of resources; only one firm is needed to supply quantity demanded.
  - greater opportunities for research due to long-run positive economic profits.
  - the government is better able to ensure that it follows laws and guidelines because there is only one firm to monitor.
  - goods and services are provided at a lower price than under perfect competition because of a monopoly's decreasing average cost curve.
8. The Nash equilibrium in a Bertrand game in which firms produce perfect substitutes and have equal marginal costs is
- efficient because all mutually beneficial transactions will occur.
  - efficient because of the free entry assumption.
  - inefficient because some mutually beneficial transactions will be foregone.
  - inefficient because of the uncertainties inherent in the game.
9. If an individual's supply of labor curve is "backward bending," then
- the substitution effect always dominates the income effect.
  - the income effect always dominates the substitution effect.
  - the substitution effect dominates at low real wage levels and the income effect dominates at high real wage levels.
  - the income effect dominates at low real wage levels and the substitution effect dominates at high real wage levels.
10. Adoption of a guaranteed annual income with benefits ( $B$ ) given by
- $$B = 20,000 - .5 (\text{earnings})$$
- would be expected to reduce work effort by low wage workers because
- the income effect would outweigh the substitution effect of the plan.
  - the substitution effect would outweigh the income effect of the plan.
  - both substitution and income effects would operate to reduce work effort.
  - the plan would make working financially unattractive.
11. If a person's inter-temporal utility function is given by  $U(c_1, c_2) = \frac{c_1^\delta}{\delta} + \frac{c_2^\delta}{\delta}$ ;  $\delta \leq 1$ , lower values for  $\delta$  will:
- make this person more averse to consumption fluctuations.
  - make this person less averse to consumption fluctuations.
  - reduce overall consumption levels.
  - reduce savings.
12. In perfect competition, environmental externalities need not distort the allocation of resources providing
- transactions costs are zero.

- B) average costs are constant for all output levels.
- C) firms install pollution control equipment.
- D) the government sets realistic pollution standards.

13. Which of the following utility functions represent the same preferences as

$$U(x, y) = \sqrt{x \cdot y} ?$$

- A).  $U(x, y) = 10\sqrt{xy}$  .
- B).  $U(x, y) = x * y$ .
- C).  $U(x, y) = \ln x + \ln y$ .
- D). All of these represent the same preferences.

14. If an individual's utility function is given by  $U(x, y) = \sqrt{xy}$  and  $I = 100$ ,  $p_x = 1$ ,  $p_y = 4$ , his or her preferred consumption bundle will be:

- A). (20, 20).
- B). (50, 12.5).
- C). (40, 15).
- D). (30, 15).

15. An individual has a utility function for tennis rackets ( $x$ ) and tennis balls ( $y$ ) of the form  $U(x, y) = \min(3x, y)$ . His or her expenditure function is given by

- A).  $E = (\frac{1}{3}p_x + p_y)U$  .
- B).  $E = (p_x + 3p_y)U$  .
- C).  $E = (p_x + \frac{1}{3}p_y)U$  .
- D).  $E = (p_x + p_y)U / 3$  .

16. If an individual buys only two goods and these must be used in a fixed relationship with one another (e.g., coffee and cream for a coffee drinker who never varies the amount of cream used in each cup), then

- A). there is no substitution effect from a change in the price of coffee.
- B). there is no income effect from a change in the price of coffee.
- C). Giffen's Paradox must occur if both coffee and cream are inferior goods.
- D). an increase in income will not affect cream purchases.

17. Consider the following three concepts:

- I. Marshallian Demand [ $x = x(p_x, p_y, I)$ ]
- II. Indirect Utility [ $V = g(p_x, p_y, I)$ ]
- III. Compensated Demand [ $x = x^c(p_x, p_y, U)$ ]

Which of these functions is necessarily homogeneous of **degree zero** in all its argument?

- A). All of them.

- B). None of them.
- C). Only I.
- D). I and III, but not II.

18. In the Slutsky equation for  $\partial x_i / \partial p_j$ , the income effect is given by

- A).  $x_i \partial x_i / \partial I$ .
- B).  $x_j \partial x_i / \partial I$ .
- C).  $x_i \partial x_j / \partial I$ .
- D).  $x_j \partial x_j / \partial I$ .

19. For the Cobb-Douglas utility function with two goods, the sum of the own price elasticities of demand must be

- A). 0.
- B). -1.
- C). -2
- D). any number between 0 and -4.

20. Suppose a person's utility of wealth is given by

$$U(W) = \sqrt{W}$$

and his or her initial wealth is 10,000. What is the maximum amount he or she would pay for insurance against a 50 percent chance of losing 3,600?

- A). 1,800.
- B). 1,900.
- C). 2,000.
- D). 2,100.

**Part II 單選題 (每題2.5分，共50分，請以 A, B, C, D 作答)**

Interest rate (percent)	Quantity of money (billions of dollars)	Money demand (billions of dollars)
2	500	575
3	500	550
4	500	525
5	500	500
6	500	475
7	500	450

- 1) The table above gives the quantity of money and money demand schedules. Suppose that the interest rate is equal to 6 percent. The effect of this interest rate in the money market is that
- A) people buy bonds and the interest rate falls.
  - B) the money market is in equilibrium.
  - C) people sell bonds and the interest rate falls.
  - D) bond prices fall and so the interest rate falls.

2) If exchange rates and prices are such that a CD purchased in the U.S. is less expensive than a CD purchased in Mexico, purchasing power parity predicts that the demand for dollars will \_\_\_\_\_ and the supply of dollars will \_\_\_\_\_.

- A) increase, increase
- B) increase, decrease
- C) decrease, increase
- D) decrease, decrease

Item	Billions of dollars
Imports of goods and services, $M$	275
Net taxes, $T$	300
Government expenditure, $G$	250
Savings, $S$	125
Investment, $I$	100

3) The table above gives some of the entries in the national income and product accounts. The government sector has a \_\_\_\_\_, and the private sector has a \_\_\_\_\_.

- A) surplus of \$50 billion; deficit of \$25 billion
- B) deficit of \$50 billion; surplus of \$25 billion
- C) surplus of \$50 billion; surplus of \$25 billion
- D) deficit of \$50 billion; deficit of \$25 billion

Real GDP supplied

Price level	Real GDP demanded (dollars)	Short run (dollars)	Long run (dollars)
90	700	300	600
100	600	400	600
110	500	500	600
120	400	600	600

4) The table above gives the aggregate demand and aggregate supply schedules in Lotus Land. With no changes in aggregate demand or long-run aggregate supply, in long-run macroeconomic equilibrium, the price level will be \_\_\_\_\_ and real GDP will be \_\_\_\_\_.

- A) 120; \$400
- B) 110; \$500
- C) 90; \$400
- D) 100; \$600

5) Economic growth will occur and the price level will be constant when the increase in aggregate demand

- A) exactly equals the increase in long-run aggregate supply.
- B) is more than the increase in long-run aggregate supply.
- C) is less than the increase in long-run aggregate supply.
- D) is accompanied by a decrease in short-run aggregate supply.

6) If the consumption function is below the 45-degree line, then at these levels of disposable income

- A) saving is negative.
- B) saving is positive.
- C) dissaving is positive.

D) saving is zero.

Topic: Saving Function

Disposable income (dollars)	Consumption expenditure (dollars)
0	100
100	180
300	340
500	500
700	660
900	820

7) In the above table, the marginal propensity to consume equals

- A) 0.90.
- B) 0.75.
- C) 0.80.
- D) 0.85.

8) If an economy at potential GDP experiences a demand shock that shifts the aggregate demand curve rightward, there will be

- A) an eventual leftward shift in the short-run aggregate supply curve.
- B) unemployment below the natural rate.
- C) upward pressure on money wage rates.
- D) All of the above answers are correct.

9) The government expenditure multiplier is the magnified change in

- A) aggregate demand that results from a change in government expenditure on goods and services.
- B) government expenditure on goods and services as a result of a change in aggregate demand.
- C) government expenditure as a result of to a change in taxes.
- D) taxes as a result of a change in government expenditure.

10) The Laffer curve shows that increasing \_\_\_\_\_ increases \_\_\_\_\_ when \_\_\_\_\_ low.

- A) tax revenue; potential GDP; tax revenue is
- B) tax rates; tax revenue; tax rates are
- C) potential GDP; tax revenue; tax revenue is
- D) None of the above answers is correct.

11) When the output gap is positive, it represents \_\_\_\_\_ gap, and when it is negative, it represents \_\_\_\_\_ gap.

- A) a recessionary; an inflationary
- B) an inflationary; an employment
- C) an inflationary; a recessionary
- D) an employment; an unemployment

12) Which of the following is an explanation for the existence of trade restrictions?

- A) Tariffs generate revenue for the government.
- B) rent seeking
- C) inefficient quotas
- D) Both answers A and B are key explanations.

- 13) If a country imposes a tariff on an imported good, the tariff would \_\_\_\_\_ the price in the importing country and \_\_\_\_\_ the quantity of imports.
- A) raise; decrease
  - B) raise; increase
  - C) raise; not change
  - D) lower; not change
- 14) Which of the following are TRUE regarding Milton Friedman's  $k$ -percent money targeting rule?
- I. Currently this policy is used by many policy makers.
  - II. This rule sets the growth rate of the quantity of money independently of the economy's behavior.
- A) I only
  - B) II only
  - C) both I and II
  - D) neither I nor II
- 15) Suppose the population is 220 million people, the labor force is 150 million people, the number of people employed is 130 million and the working-age population is 175 million people. What is the labor force participation rate?
- A) 0.68 percent
  - B) 68 percent
  - C) 85.7 percent
  - D) 86.7 percent
- 16) Which of the following is TRUE regarding business cycles?
- I. Cycles are predictable.
  - II. In each cycle, a peak follows an expansion.
  - III. Potential GDP fluctuates around real GDP.
- A) I and II
  - B) I and III
  - C) II and III
  - D) II only
- 17) Because the productivity of labor decreases as the quantity of labor employed increases,
- A) the quantity of labor a firm demands increases as the real wage rate decreases.
  - B) the quantity of labor a firm demands increases as the money wage rate decreases.
  - C) the labor demand curve shifts right as the real wage rate decreases.
  - D) the aggregate production function shifts upward as the real wage rate decreases.
- 18) An important foundation of the new growth theory is that
- A) we will get more technological advances the more the government is involved in deciding which technology to pursue.
  - B) we will get more technological advances the greater the rewards people receive from making technological advances.
  - C) the growth rate of the capital stock is more important than the growth rate of new knowledge in generating economic growth.
  - D) improvements in labor productivity are poor measures of technological growth.

Person A	This person has just graduated from high school and is working at a part-time job but wants a full-time job.
Person B	At the age of 45, this person was laid off from the automobile industry when new equipment was installed and the person did not have the skills necessary to use the equipment. This person now is searching to find a new job.
Person C	As a result of this person's spouse being transferred to a job in a new city, this person is looking for a new job.
Person D	This person just graduated from college and is looking for an engineering job. In the meantime, this person is working full-time waiting tables.

19) The above table shows answers given by people interviewed in the Current Population Survey. Which people are structurally unemployed?

- A) A, B, C, and D
- B) A, B, and C
- C) B and C.
- D) A, B, and D

20) The following data are estimates describing Ireland's economy in 2006 and 2007 (in millions of euros, in constant prices):

	<b>2006</b>	<b>2007</b>
Consumption	84,000	89,000
Government expenditure	24,000	26,000
Investment	48,000	48,000
Exports	142,000	151,000
Imports	123,000	128,000
Subsidies	1,800	1,900
Taxes	500	500

Which of the following is true regarding Ireland's economy?

- A) The change in GDP from 2006 to 2007 represented a peak in the business cycle.
- B) GDP decreased from 2006 to 2007.
- C) Net exports decreased from 2006 to 2007.
- D) Consumption was 48 percent of Ireland's GDP in 2007.