

以下50題皆為單選題，請選出最適當之答案：每題2分。

1. Studying which of the following is helpful in learning to think like an economist?
 - A. theory.
 - B. case studies.
 - C. examples of economics in the news.
 - D. all of the above.
2. The term "productivity"
 - A. means the same thing as "efficiency."
 - B. is seldom used by economists, as its meaning is not precise.
 - C. refers to the quantity of goods and services produced from each unit of labor input.
 - D. refers to the variety of goods and services from which households can choose when they shop.
3. A decrease in supply will cause the largest increase in price when
 - A. both supply and demand are inelastic.
 - B. both supply and demand are elastic.
 - C. demand is elastic and supply is inelastic.
 - D. demand is inelastic and supply is elastic.

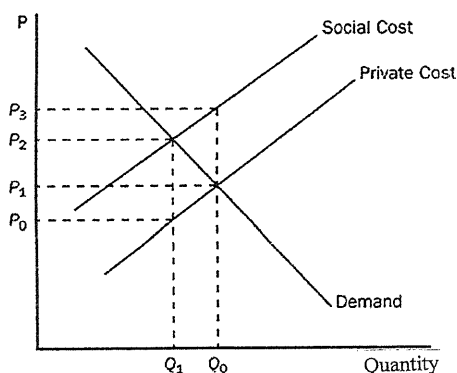
Table 1

Assume that Japan and Korea can switch between producing cars and producing airplanes at a constant rate.

	Hours Needed to Make 1		Quantity Produced in 2400 Hours	
	Car	Airplane	Car	Airplane
Japan	30	150	80	16
Korea	50	150	48	16

4. Refer to **Table 1**. Assume that Japan and Korea each has 2400 hours available. If each country divides its time equally between the production of cars and airplanes, then total production is
 - A. 40 cars and 8 airplanes.
 - B. 64 cars and 16 airplanes.
 - C. 80 cars and 16 airplanes.
 - D. 128 cars and 32 airplanes.
5. A shortage exists in a market if
 - A. there is an excess supply of the good.
 - B. quantity supplied exceeds quantity demanded.
 - C. the current price is below its equilibrium price.
 - D. All of the above are correct.
6. A tax system with little deadweight loss and a small administrative burden would be described as
 - A. equitable.
 - B. communistic.
 - C. capitalistic.
 - D. efficient.
7. The benefit to buyers of participating in a market is measured by
 - A. consumer surplus.
 - B. producer surplus.
 - C. total surplus.
 - D. deadweight loss.

Figure 2



8. Refer to **Figure 2**. Which of the following statements is correct?

- A. The marginal benefit of the positive externality is measured by $P_3 - P_1$.
 - B. The marginal cost of the negative externality is measured by $P_3 - P_2$.
 - C. The marginal cost of the negative externality is measured by $P_3 - P_1$.
 - D. The marginal cost of the negative externality is measured by $P_3 - P_0$.
9. If a tax is levied on the buyers of a product, then the supply curve will
- A. not shift.
 - B. shift up.
 - C. shift down.
 - D. become flatter.
10. Which of the Ten Principles of Economics do governments run into when they redistribute income to achieve greater equality?
- A. Trade can make everyone better off.
 - B. The cost of something is what you give up to get it.
 - C. People face trade-offs.
 - D. Markets are usually a good way to organize economic activity.

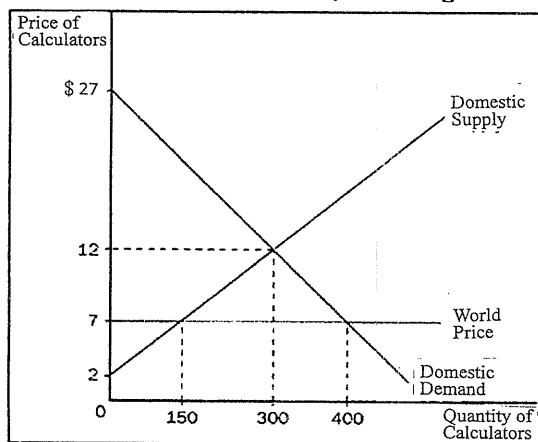
Table 3

During the last two days, Chad purchased a latte from two different stores. The table below shows Chad's willingness to pay on each day and his consumer surplus from each purchase.

	Chad's Willingness to Pay	Chad's Consumer Surplus
First Day	\$5.00	\$1.25
Second Day	\$4.00	\$0.75

11. Refer to **Table 3**. The price that Chad paid for a latte on the first day is
- A. \$3.75.
 - B. \$6.25.
 - C. \$5.00.
 - D. \$5.50.
12. Refer to **Table 3**. The price that Chad paid for a latte on the second day is
- A. \$0.25 less than the amount he paid on the first day.
 - B. \$1.00 less than the amount he paid on the first day.
 - C. \$1.50 less than the amount he paid on the first day.
 - D. \$0.50 less than the amount he paid on the first day.
13. Consider a profit-maximizing monopoly pricing under the following conditions. The profit-maximizing quantity is 40 units, the profit-maximizing price is \$160, and the marginal cost of the 40th unit is \$120. If the good were produced in a perfectly competitive market, the equilibrium quantity would be 50, and the equilibrium price would be \$150. The demand curve and marginal cost curves are linear. What is the value of the deadweight loss created by the monopolist?
- A. \$40
 - B. \$100
 - C. \$200
 - D. \$400

Figure 4. The domestic country is Nicaragua.



14. Refer to **Figure 4**. Consumer surplus in Nicaragua without trade is
- A. \$375.
 - B. \$2,000.
 - C. \$2,250.
 - D. \$8,700.

15. Refer to **Figure 4**. The change in total surplus in Nicaragua because of trade is
- \$625, and this is an increase in total surplus.
 - \$750, and this is an increase in total surplus.
 - \$625, and this is a decrease in total surplus.
 - \$750, and this is a decrease in total surplus.
16. A free rider is a person who
- will only purchase a product on sale.
 - receives the benefit of a good but avoids paying for it.
 - can produce a good at no cost.
 - rides public transit regularly.
17. Total cost can be divided into two types of costs:
- fixed costs and variable costs.
 - fixed costs and marginal costs.
 - variable costs and marginal costs.
 - average costs and marginal costs.
18. Which of the following is considered human capital?
- the ingredients a chef uses to prepare meals.
 - the pots and pans and other tools a chef uses to prepare meals.
 - the financial capital a chef uses to start his own restaurant.
 - the skills a chef learns when attending a class about cake decorating.
19. Predatory pricing occurs when a firm
- exercises its oligopoly power by raising its price through the formation of a cartel.
 - exercises its monopoly power by raising its price.
 - cuts its prices in order to make itself more competitive.
 - cuts its prices temporarily in order to drive out any competition.
20. Evidence from the market for eyeglasses suggests that advertising leads to
- lower-quality products for consumers.
 - lower prices for consumers.
 - higher prices for consumers.
 - less concern on the part of consumers about price differences among similar goods.

A firm in a competitive market has the following cost structure:

Output	Total Costs
0	\$10
1	\$12
2	\$15
3	\$19
4	\$24
5	\$30
6	\$37
7	\$46
8	\$55
9	\$65

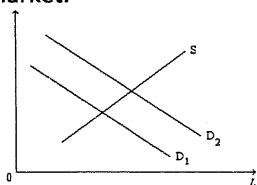
21. If the market price is \$8, how many units of output should the firm produce to maximize profit?
- 5 units
 - 6 units
 - 7 units
 - 8 units
22. If the consumer's income and all prices simultaneously decrease by one-half, then the optimum consumption will
- shift outward relative to the original optimum.
 - move leftward along the original budget constraint.
 - shift inward relative to the original optimum.
 - not change.
23. Conventional economic theory suggests that in the ultimatum game, the player proposing a split of \$50 will

propose that she get \$49 and that the other player get \$1. By the same reasoning, if the amount to be split is \$1000, the player proposing the split will propose that she gets

- A. \$500 and that the other player gets \$500.
- B. \$998 and that the other player gets \$2.
- C. \$999 and that the other player gets \$1.
- D. \$1000 and that the other player gets nothing.

Figure 5

This figure below shows the labor market for automobile workers. The curve labeled S is the labor supply curve, and the curves labeled D1 and D2 are the labor demand curves. On the horizontal axis, L represents the quantity of labor in the market.



24. Refer to **Figure 5**. Which of the following events would most likely explain the shift of the labor-demand curve from D1 to D2?

- A. The price of automobiles decreased.
- B. A large number of immigrants entered the automobile-worker market.
- C. A technological advance increased the marginal product of automobile workers.
- D. All of the above are correct.

25. Refer to **Figure 5**. Which of the following events would most likely explain a shift of the labor-demand curve from D2 back to D1?

- A. The price of automobiles decreased.
- B. A large number of immigrants entered the automobile-worker market.
- C. A technological advance increased the marginal product of automobile workers.
- D. The demand for automobiles increased.

26. Economic questions always deal with

- A. financial matters.
- B. political matters.
- C. insufficient resources.
- D. choice in the face of limited resources.

27. The cost-benefit principle indicates that an action should be taken

- A. if the total benefits exceed the total costs.
- B. if the average benefits exceed the average costs.
- C. if the net benefit (benefit minus cost) is zero.
- D. if the extra benefit is greater than or equal to the extra costs.

28. In general, when the supply curve shifts to the left and demand is constant then

- A. the market cannot reestablish an equilibrium.
- B. the equilibrium price will fall.
- C. the equilibrium quantity will rise.
- D. the equilibrium price will rise.

29. The price elasticity of supply at a point is

- A. the percentage change in quantity supplied divided by the percentage change in price
- B. the percentage change in price divided by the percentage change in quantity supplied
- C. the change in quantity supplied divided by the change in price
- D. the change in price divided by the change in quantity supplied.

30. Consumer surplus measures

- A. marginal utility.
- B. total utility.
- C. the cumulative difference between real and nominal prices.
- D. the cumulative difference between price and maximum willingness to pay.

31. Suppose the firm knows that it is not going to shut down but it is going to earn a loss. It should pick the output level where

- A. total costs are minimized.
- B. price equals marginal costs.
- C. total revenues are maximized.
- D. the costs of the variable factors of production are minimized.

32. Demand for cigarettes is price inelastic for adults, but price elastic for teenagers. Therefore, a tax on cigarettes will
- A. not raise very much tax revenue.
 - B. generate more tax revenue from adults and have a greater effect on the number of cigarettes smoked by teenagers.
 - C. have a greater effect on the number of cigarettes smoked by adults than by teenagers.
 - D. generate more tax revenue from teenagers than from adults.
33. When either the costs of production or the benefits of consumption to individuals differ from those of society,
- A. the equilibrium output will be the socially optimal output.
 - B. the equilibrium is not efficient.
 - C. the allocation of resources remains correct.
 - D. the invisible hand had completely failed.
34. Perfect competition is efficient and monopoly is not because in perfect competition _____ while in monopoly _____.
- | | |
|---------------------|---------------------|
| A. $P = MC; P > MC$ | C. $P = MR; P < MR$ |
| B. $P < MR; P = MR$ | D. $P = MC; P < MC$ |
35. A monopolistically competitive firm
- A. sells products that are perfect substitutes for its competitors' products, so must compete on the basis of location.
 - B. sells products that are close substitutes for its competitors' products, so will locate as far away from its competitors as possible.
 - C. sometimes distinguishes its output from that of its competitors by locating in a more convenient place.
 - D. will be more successful the more similar its output is to its competitors' output.
36. Suppose a toll is imposed in the following way: leaving between 8 a.m. and 9 a.m. costs \$5 per driver, after 9 a.m. the toll is zero. The toll _____ because _____.
- A. reduces efficiency; citizens are paying for the highway through taxes and through the toll
 - B. improves efficiency; government now has more tax revenue
 - C. reduces efficiency; drivers don't change their behavior because \$5 is less than the benefit of driving
 - D. improves efficiency; the highway is no longer treated as having a price of zero
37. Pascal is risk-averse while Marion is risk-neutral. Both are confronted with the following gamble: win \$5,000 with the probability of 65% or lose \$9,000 with a probability of 35%. One can predict that
- A. both might accept the gamble.
 - B. only Pascal will accept the gamble.
 - C. only Marion will accept the gamble.
 - D. neither will accept the gamble.
38. A reduction in the workers' marginal productivity would result in
- A. an increase in labor supply.
 - B. an increase in equilibrium employment level.
 - C. a reduction in the equilibrium wage rate.
 - D. a decrease in labor supply.
39. In general, the optimal amount of medical care to receive is
- A. as much as one can afford.
 - B. enough to get well.
 - C. that quantity for which the total costs of the care equal the total benefits.
 - D. that quantity for which the marginal costs of the care equal the marginal benefits.
40. A pure public good is one that is
- A. highly nonrival and nonexcludable.
 - B. slightly nonrival and nonexcludable.
 - C. nonexcludable.
 - D. highly nonrival but only slightly nonexcludable.
41. If total output is calculated by adding up the market value of goods and services produced, then more expensive items:
- A. receive the same weighting as cheaper items.
 - B. receive a higher weighting than cheaper items.
 - C. receive a smaller weighting than cheaper items.
 - D. are double counted.
42. The price of a gallon of gasoline at the pump increased by 10 percent at the same time that the inflation rate was 15 percent. The nominal price of gasoline _____ and the real price of gasoline _____.
- A. increased; increased
 - B. increased; decreased
 - C. increased; did not change
 - D. decreased; increased

43. The following table provides information about production at the XYZ-TV Company.

Number of Workers	TVs Produced	Marginal Product	Value of Marginal Product
0	0	--	--
1	35	35	\$35,000
2	68	33	\$33,000
3	99	31	\$31,000
4	128	29	\$29,000
5	155	27	\$27,000

How many workers will the XYZ-TV Company hire if the going wage for TV production workers is \$30,000?

- A. 1 C. 3
B. 2 D. 4

44. If when you are 21 you put \$1,000 in a bank deposit promising to pay 7 percent annual compound interest, how much will be in the account 45 years later when you retire at age 66?

- A. \$3,752 C. \$21,002
B. \$13,765 D. \$46,794

45. Saving equals:

- A. current spending minus current income.
B. wealth minus assets.
C. assets minus liabilities.
D. current income minus spending on current needs.

46. An open-market purchase of government securities by the Fed will:

- A. increase bank reserves, and the money supply will increase.
B. decrease bank reserves, and the money supply will increase.
C. increase bank reserves, and the money supply will decrease.
D. decrease bank reserves, and the money supply will decrease.

47. The unemployment rate for older workers is usually _____ the unemployment rate for younger workers.

- A. less than
B. approximately equal to
C. greater than
D. less predictable than

48. In the Keynesian model an expansionary gap will develop if there is:

- A. an increase in average labor productivity.
B. a decrease in average labor productivity.
C. too much spending.
D. too little spending.

49. The Federal Reserve can increase the money supply by:

- A. reducing reserve requirements.
B. increasing the discount rate.
C. eliminating deposit insurance.
D. conducting open market sales.

50. If policymakers attempt to offset a favorable inflation shock with monetary _____, the resulting long-run equilibrium will be at _____ inflation rate compared to allowing the self-correcting mechanism return the economy to potential output.

- A. tightening; a higher
B. tightening; a lower
C. easing; a higher
D. easing; a lower