

國立高雄應用科技大學
100 學年度碩士班招生考試
財經與商務決策研究所

准考證號碼 (考生必須填寫)

經濟學

試題 共 8 頁，第 1 頁

- 注意：a. 作答時不必抄題。
b. 請依題次順序作答。
c. 考生作答前請詳閱答案卷之考生注意事項。

一、解釋名詞，每題 5 分共 10 分。

1. Velocity of money
2. Random walk

二、問答題 2 題，每題 20 分共 40 分。

1. The Rainbow Basket Company is a monopoly in the basket market and the demand schedule is as follows:

Price	Quantity Demanded
\$40	0 basket
35	10000
30	20000
25	30000
20	40000
15	50000
10	60000
5	70000
0	80000

The firm's fixed cost is \$60000. The marginal cost of each basket is at a constant of \$15 per basket.

- a. What quantity would a profit-maximizing firm produce? What price would it charge?
 - b. Graph the marginal-revenue, marginal-cost, and demand curves. Mark the deadweight loss in your graph.
 - c. If fixed costs increase to \$65000, how would this affect this firm's pricing decision?
2. The consumer price index is too high. The Government aims to decrease inflation. Graph the Philips curve to indicate the short-run and long-run effects of this policy. How can the short-run costs be reduced?

三、選擇題 25 題，每題 2 分共 50 分。

1. Last year, Sheila bought 6 pairs of shoes when her income was \$40,000. This year, her income is \$50,000 and she purchased 10 pairs of shoes. All else constant, it is obvious that Sheila
 - a. prefers shoes to boots.
 - b. considers shoes to be an inferior good.
 - c. considers shoes to be a normal good.
 - d. has a price-inelastic demand for shoes.

2. In general, a tax burden falls more heavily on the side of the market that is
 - a. perfectly elastic.
 - b. more elastic.
 - c. unit elastic.
 - d. less elastic.

3. The term market failure refers to
 - a. a situation in which the market on its own fails to allocate resources efficiently.
 - b. an unsuccessful advertising campaign which reduces buyer demand.
 - c. a situation in which competition among firms becomes ruthless.
 - d. a firm which is forced out of business because of losses.

4. International studies of the relationship between GDP per person and quality of life measures such as life expectancy and literacy rates show that larger GDP per person is associated with

- a. longer life expectancy and a lower percentage of the population that is literate.
 - b. longer life expectancy and a higher percentage of the population that is literate.
 - c. very nearly the same life expectancy and a lower percentage of the population that is literate.
 - d. very nearly the same life expectancy and a higher percentage of the population that is literate.
5. Suppose that the incomes of buyers in a particular market for a normal good decline and there is also a reduction in input prices. What would we expect to occur in this market?
- a. The equilibrium price would increase, but the impact on the amount sold in the market would be ambiguous.
 - b. The equilibrium price would decrease, but the impact on the amount sold in the market would be ambiguous.
 - c. Both equilibrium price and equilibrium quantity would increase.
 - d. Equilibrium quantity would increase, but the impact on equilibrium price would be ambiguous.
6. Suppose that Congress were to institute an investment tax credit. What would happen in the market for loanable funds?
- a. The demand for loanable funds would shift left.
 - b. The supply of loanable funds would shift left.
 - c. The demand for loanable funds would shift right.
 - d. The supply of loanable funds would shift right.
7. Ms. Smith borrowed \$1000 from her bank for one year at an interest rate of 10 percent per year. During that year the price level went up by 15 percent. Which of the following statements is correct?
- a. Ms. Smith will repay the bank fewer dollars than she initially borrowed.
 - b. Ms. Smith's repayment will give the bank less purchasing power than it originally loaned her.
 - c. Ms. Smith's repayment will give the bank greater purchasing power than it originally loaned her.
 - d. Ms. Smith's repayment will give the bank the same purchasing power that it

originally loaned her.

8. Assume that Greece has a comparative advantage in fish and Germany has a comparative advantage in cars. If these two countries specialize and trade according to their comparative advantage, which of the following would NOT be true?

- a. Greece will specialize in and export fish.
- b. Some individuals in each country will be hurt.
- c. More of each good can be consumed in both countries.
- d. Greece will benefit from trade more than Germany.

9. When a production possibilities frontier is linear it shows

- a. a truer picture of real life than a bowed out production possibilities frontier.
- b. that resources are perfectly shiftable from the production of one good to another.
- c. an example of increasing opportunity cost.
- d. All of the above are correct.

10. The country of Sylvania has a GDP of \$1,000, investment of \$200, government purchases of \$200, and net capital outflow of negative \$100. This means that

- a. consumption equals \$700.
- b. consumption equals \$600.
- c. consumption equals \$500.
- d. saving equals \$300.

11. You put money in an account that earns 5 percent. The inflation rate is 3 percent, and your marginal tax rate is 20 percent. What is your after-tax real rate of interest?

- a. 3.4 percent
- b. 1.6 percent
- c. 1 percent
- d. None of the above is correct.

12. If the reserve ratio is 10 percent, and banks do not hold excess reserves, when the Fed sells \$10 million dollars of bonds to the public, bank reserves

- a. increase by \$1 million and the money supply eventually increases by \$10

million.

b. increase by \$10 million and the money supply eventually increases by \$100 million.

c. decrease by \$1 million and the money supply eventually increases by \$10 million.

d. decrease by \$10 million and the money supply eventually decreases by \$100 million.

13. Most economists agree that eliminating unemployment insurance would

a. increase unemployment because people would quit jobs they thought were not secure.

b. increase unemployment because if the government didn't provide unemployment insurance, private firms would offer superior insurance.

c. reduce unemployment and so improve economic well-being.

d. reduce unemployment, but they disagree about whether economic well-being would be enhanced by such a change.

14. The last \$500 of Mary's wealth adds more to her utility than another \$500 would. Based on this information, Mary's utility function

a. and marginal utility function are both upward sloping.

b. and marginal utility function are both downward sloping.

c. is upward sloping and her marginal utility function is downward sloping.

d. is downward sloping and her marginal utility function is upward sloping.

15. Other things equal, relatively poor countries tend to grow

a. slower than relatively rich countries; this is called the poverty trap.

b. slower than relatively rich countries; this is called the Malthus effect.

c. faster than relatively rich countries; this is called the catch-up effect.

d. faster than relatively rich countries; this is called the constant-returns-to-scale effect.

16. When two goods are perfect complements they will have

a. indifference curves with a positive slope.

b. indifference curves that are right angles.

c. indifference curves with a constant marginal rate of substitution.

d. Both b and c are correct.

17. When there is a technological advance in the ice cream industry, consumer surplus in that market will

- a. increase.
- b. decrease.
- c. not change, since technology affects producers and not consumers.
- d. not change, since consumers' willingness to pay is unaffected by the technological advance.

18. The before-trade price of fish in Greece is \$3.00 per pound. The world price of fish is \$5.00 per pound. Greece is a price-taker in the fish market. If Greece begins to allow trade in fish, its consumers of fish will become

- a. better off, its producers of fish will become better off, and on balance the citizens of Greece will become better off.
- b. worse off, its producers of fish will become better off, and on balance the citizens of Greece will become better off.
- c. worse off, its producers of fish will become better off, and on balance the citizens of Greece will become worse off.
- d. better off, its producers of fish will become worse off, and on balance the citizens of Greece will become worse off.

19. If a firm experiences constant returns to scale at all output levels, then its long-run average total cost curve would

- a. slope downward.
- b. be horizontal.
- c. slope upward.
- d. slope downward for low output levels and upward for high output levels.

20. Rent, interest, and profit are all forms of income paid to the owners of

- a. aggregate stock.
- b. aggregate demand.
- c. firms and not-for-profit organizations.
- d. land and capital.

21. The town of Sointenly does not have any public snow-plows. Anyone who wants his street cleared of snow must hire a private snow-plow company, which charges \$75 per street. Curly, Larry and Moe all live on a dead-end

street; Curly lives at the very end. Each one values snow removal at \$50. At present, the snow is never cleared from the street. We can conclude that

- a. there is no way to improve upon the current situation because the cost of snow removal exceeds what each individual is willing to pay for it.
- b. Larry and Moe should wait for Curly to pay for the service because Curly will pay to have the snow cleared all the way to his house. Then Larry and Moe will get the service for free.
- c. the fee charged by the snow removal company is unfairly high.
- d. Curly, Larry and Moe could all be better off if they acted collectively.

22. Cost-benefit analysis is important to determine the role of government in our economy because

- a. the government should provide all goods for which the benefits exceed the costs.
- b. cost-benefit analysis identifies the possible gains to society from government provision of a particular good.
- c. markets for private goods cannot effectively assign costs and benefits.
- d. cost-benefit analysis is the best tool to identify market failures.

23. Young Johnny inherited the only local cable TV company in town after his father passed away. The company is completely unregulated by the government and is therefore free to operate as it wishes. Assuming that Johnny understands the true power of his new monopoly, he is probably most excited about which of the following statements?

- (i) He will be able to set the price of cable TV service at whatever level he wishes.
 - (ii) The customers will be forced to purchase cable TV service at whatever price he wants to set.
 - (iii) He will be able to achieve any profit level that he desires.
- a. (i) only
 - b. (ii) only
 - c. (i) and (iii)
 - d. All of the above are correct.

24. Suppose that monopolistically competitive firms in a certain market are earning positive profits. In the transition from this initial situation to a

long-run equilibrium,

- a. the number of firms in the market decreases.
- b. each existing firm experiences a decrease in demand for its product.
- c. each existing firm experiences a rightward shift of its marginal revenue curve.
- d. each existing firm experiences an upward shift in its average total cost curve.

25. When the marginal tax rate equals the average tax rate, the tax is

- a. proportional.
- b. progressive.
- c. regressive.
- d. egalitarian.