

國立高雄大學 109 學年度研究所碩士班招生考試試題

科目：經濟學

系所：金融管理學系

是否使用計算機：是

考試時間：100 分鐘

本科原始成績：100 分

I. Multiple Choice (4 points each, total 80 points)

1. If I get 10 units of pleasure from my first ice cream cone and 2 less units than before from each succeeding cone, I will buy ____ cones and gain _____ units of consumer surplus if the price of a cone is equal to 5 units of pleasure.
 - A. 4; 28
 - B. 6; 30
 - C. 2; 18
 - D. 3; 9
2. Say the demand curve for cigarettes was given by $Q = 164 - 0.38P$. When $P = 20$, a further increase in the price will
 - A. increase total revenue.
 - B. decrease total revenue.
 - C. leave total revenue the same.
 - D. we can't answer with the information given.
3. Comparing the income effects between salt and housing, the
 - A. income effect for salt will be greater.
 - B. income effect for housing will be greater.
 - C. two income effects will be about the same.
 - D. two income effects will be in the opposite direction.
4. Which of the following gambles should be considered more attractive?
 - A. If heads, you win \$200; if tails, you lose \$198.
 - B. If heads, you win \$5; if tails, you lose \$10.
 - C. If heads, you win \$6; if tails, you lose \$4.
 - D. If heads, you win \$9; if tails, you lose \$6.
5. When Jeff bought a house he also bought homeowners insurance, but when he bought a new dishwasher he refused to buy the repair insurance policy the store offered. Assuming Jeff is rational in his choices, which of the following is the most likely cause of his behavior?
 - A. He switches back and forth between risk averse and risk loving preferences.
 - B. He doesn't trust appliance insurers because they have no agent to relate to.
 - C. The probability of his house burning is greater than the probability a dishwasher failure.
 - D. The expected loss from dishwasher failure is less than the insurance premium and he can afford to absorb smaller losses.
6. Suppose you have been assigned to complete a group project with one of your classmates. Each of you can choose to Shirk or Work. If one or more of you chooses to Work, the project is completed and provides each with extra credit valued at 4 payoff units each. The cost of completing

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the project is that 6 total units of effort (measured in payoff units) divided equally among all players who choose to Work and this is subtracted from their payoff. If both of you Shirk, then neither of you have to expend any effort but the project is not completed, giving each a payoff of 0. The teacher can only tell whether the project is completed and not which students contributed to it. What is the dominant strategy for you?

- A. Work
- B. Shirk
- C. There is no dominant strategy.
- D. Work if your friend also works.

7. Suppose you are using 10 units of labor in your short-run production process. At this point, the average product of your labor is 10, and the marginal product of the last unit of labor was 14. Given this, we know that the

- A. average product of labor must be increasing.
- B. average product of labor must be decreasing.
- C. marginal product of labor must be increasing.
- D. marginal product of labor must be decreasing.

8. Output for a simple production process is given by $Q = 2KL$, where K denotes capital, and L denotes labor. The price of capital is \$25 per unit and capital is fixed at 8 units in the short run. The price of labor is \$5 per unit. What is the total fixed cost of producing 80 units of output?

- A. \$200
- B. \$33
- C. \$25
- D. \$85

9. Joe is self-employed in a store that has a rental value of \$500 a month which he pays, but he can vacate the building without giving notice. His other expenses are \$100 a month for maintenance. He makes \$25,000 a year on net sales (total revenue minus the wholesale cost of the product). If he quit his job and worked the same number of hours elsewhere at a job he liked equally well, he estimates that he could make \$20,000 a year. No one else can be hired to work in the store. Suppose that the store owner gave Joe the store. Now what should he do?

- A. Quit his job.
- B. Keep the job.
- C. Work part-time.
- D. It is impossible to say with the information given in the problem.

10. I get \$200 revenue from the sale of my product each day. I rent the factory that I use for \$90 a day. The raw materials of the operation cost \$115 a day. I do all the work myself. Both jobs are

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equally attractive as far as the work is concerned. Recently, a competitor offered me \$30 a day to work for him. My accounting profit is _____, and my economic profit is _____.

- A. -5; -35
- B. -35; -35
- C. 25; -5
- D. 110; -30

11. When factor supply is fixed and quantity of the factor is graphed on the horizontal axis while factor price is graphed on the vertical axis, the factor:

- A. supply curve is horizontal.
- B. supply curve is vertical.
- C. supply curve slopes up to the right.
- D. demand curve slopes up to the right.

12. According to Friedman's permanent-income hypothesis, if the marginal propensity to consume out of permanent income equals 0.9 and current income equals \$55,000 (of which \$5,000 is transitory income), then consumption should equal:

- A. \$5,000.
- B. \$45,000.
- C. \$49,500.
- D. \$55,000.

13. The long run according to the quantity theory of money and the classical macroeconomic theory, if velocity is constant, then _____ determines real GDP and _____ determines nominal GDP.

- A. the productive capability of the economy; the money supply
- B. the money supply; the productive capability of the economy
- C. velocity; the money supply
- D. the money supply; velocity

14. In the case of an unanticipated inflation:

- A. Creditors with an unindexed contract are hurt because they get less than they expected in real terms.
- B. Creditors with an indexed contract gain because they get more than they contracted for in nominal terms.
- C. Debtors with an unindexed contract do not gain because they pay exactly what they contracted for in nominal terms.
- D. Debtors with an indexed contract are hurt because they pay more than they contracted for in nominal terms.

15. In a small open economy, starting from a position of balanced trade, if the government increases

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the income tax, this produces a tendency toward a trade _____ and _____ net capital outflow.

- A. deficit; negative
- B. surplus; positive
- C. deficit; positive
- D. surplus; negative

16. Which of the following is an example of frictional unemployment?

- A. Dave searches for a new job after voluntarily moving to San Diego.
- B. Elaine is willing to work for less than the minimum wage, but employers cannot hire her.
- C. Bill is qualified and would like to be an airline pilot, but airlines do not find it profitable to hire him at the wage established by the airline pilot's union.
- D. Joan is willing to work at the going wage, but there are no jobs available.

17. In the Solow growth model, if investment is less than depreciation, the capital stock will _____ and output will _____ until the steady state is attained.

- A. increase; increase
- B. increase; decrease
- C. decrease; decrease
- D. decrease; increase

18. In the IS-LM model, the impact of an increase in government purchases in the goods market has ramifications in the money market, because the increase in income causes a(n) _____ in money _____.

- A. increase; supply
- B. increase; demand
- C. decrease; supply
- D. decrease; demand

19. An increase in investment demand for any given level of income and interest rates—due, for example, to more optimistic “animal spirits”—will, within the IS-LM framework, _____ output and _____ interest rates.

- A. increase; lower
- B. increase; raise
- C. lower; lower
- D. lower; raise

20. If the government levies a one-time temporary tax on the young and gives the proceeds to the elderly, and both generations follow the life-cycle consumption pattern but are not altruistically linked:

- A. Both the young and the old will consume more.

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B. There will be a net increase in overall consumption.

C. There will be a net decrease in overall consumption.

D. There will be no change in overall consumption.

II. Essay Question (20 points)

1. Assume that GDP (Y) is 5,000. Consumption (C) is given by the equation $C = 1,200 + 0.3(Y - T) - 50r$, where r is the real interest rate. Investment (I) is given by the equation $I = 1,500 - 50r$. Taxes (T) are 1,000 and government spending (G) is 1,500.

(10 points)

A. What are the equilibrium values of C , I , and r ?

B. What are the values of private saving, public saving, and national saving?

C. Now assume there is a technological innovation that makes business want to invest more. It raises the investment equation to $I = 2,000 - 50r$. What are the new equilibrium values of C , I , and r ?

D. What is the new value of private saving?

2. Your bike is worth \$100 and if you park it outside at school there is a 25% chance that it will be stolen. Your utility function for money is $U = \sqrt{\text{Money}}$. Assume throughout that the bike value and money are interchangeable since you could sell the bike instantly at its value if necessary. What is the maximum you will pay for the bike check-in now? (10 points)