

系所別：金融系碩士班金融組

組別：不分組

考科代碼：1411

考科：經濟學

注意事項：

- 1、本科目得使用本校提供之電子計算器。
- 2、請於答案卷上規定之範圍作答，違者該題不予計分。

### Part I Macroeconomics (50 Points)

N.B.:

**1. Please show your calculation and reasoning, writing down a number does NOT warrant you credit.**

(10 points) I. For the basic Keynesian model, if  $MPC = 0.8$ , then (1) if the taxation is a lump sum tax system, what is the expenditure multiplier? (5 points) (2) if the tax system is changed to proportional and the tax rate is 30%, what will be the tax multiplier? (5 points)

(10 points) II. (1) What are the variables that the Phillips curve discusses? (4 points) (2) what is their relationship in the short term? (3 points) (3) what is their relationship in the long term? (3 points)

(10 points) III. (1) Which organization is in charge of monetary policy? (2 points) (2) List three monetary policies that can stimulate the economy. (6 points) (3) What is the impact to the money market of Taiwan, if someone tries to stop the appreciation of the New Taiwan dollar? (2 points)

(10 points) IV. The following is the production possibilities of two countries, A and B. Each country may be capable of producing cattle and fish at the designated volume. (1) Specify the product to be specialized by each country. (5 points) (2) What is the trade pattern for these two countries? (5 points)

	Fish	Cattle
A	20,000	50,000
B	14,000	28,000

(10 points) V. (1) If the economic growth rate increases, in Solow's model what will be the impact on capital per person and production per person. (5 points) (2) If the savings rate increases, what will be the impact on GDP in the Keynesian model and Solow's model? (5 points).

## Part II Microeconomics (50 Points)

**N.B.:**

**1. Please determine whether the statement is true or false first. Then, elaborate your reasoning with economic theories, models, any related concepts, or diagrams when necessary. *No credit for any answers without explanations.***

**2. Please make sure that your answer is concise and to the point. Long answers will NOT give you any advantage.**

(10 points) I. On March 11, 2011 an earthquake hit Japan and caused a tsunami, ruining a nuclear power plant and causing power shortage. Productions and sales of cars are going down, as a result. On the other hand, the impact of the financial tsunami on the economy is decreasing. Therefore, we can expect in the car market the price will increase, but the quantity will decrease.

(10 points) II. Suppose pork is banned in the Islam world and the only alternative for meat there is beef. If a \$10 tax is levied on the beef providers, then the market price will go up by \$10 and the burden is born by the producers. (Hint: a diagram may help.)

(10 points) III. The backward bending labor supply curve implies that people are getting lazier as the wage rate increases. (Hint: please use economics to elaborate.)

(10 points) IV. As marginal cost increases, average cost also increases. In contrast, when marginal cost decreases, average cost decreases. Therefore, marginal cost curve intersects average cost curve at the highest level of marginal cost.

(10 points) V. Increasing returns to scale implies economies of scale.