

國立高雄第一科技大學 100 學年度 碩士班 招生考試 試題紙

系 所 別：金融系

組 別：甲組、乙組

考科代碼：1411、1413

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 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. In Taiwan, both the amount of rice that people consume and the number of people eating rice have decreased dramatically. On the other hand, many farmers have turned their land into fallow or producing other crops. Therefore, we can expect the market price of rice to decrease and the quantity will also decrease.

(10 points) II. Department stores often have sales promotion such as “buy \$3000 and get \$300 back.” However, that \$300 consumers get is not cash but a voucher for future purchases at the same store. Giving a voucher instead of cash makes consumers better off. (Hint: Elaborating via some basic microeconomic theories and diagram(s) may help.)

(10 points) III. In the discussion of the theory of firms, there is a kind of industry called decreasing cost industry, in which increasing capacity accompanies decreasing long term average cost. In the real world, no such industry may exist; even if it does, there will be only one firm in this industry.

(10 points) IV. Q, P, SW means production level, price, and social welfare respectively. Comparing Q, P, and SW of the markets under perfect competition (A), monopolistic competition (B), and monopoly (C), we know that $Q_A > Q_B > Q_C$, $P_A > P_B > P_C$, and $SW_A > SW_B > SW_C$. (Hint: Showing the situations of these three types of market structures via diagram(s) may help.)

(10 points) V. If a firm maximizes profit, there is no way for it to decrease its cost any further.

Part II. Macroeconomics (50 Points)

1. (10 points) Assume that no banks hold excess reserves, and the public holds no currency. If a bank sells a \$100 security to the Fed, explain what happens to this bank and two additional steps in the deposit expansion process, assuming a 10% reserve requirement. How much do deposits and loans increase for the banking system when the process is completed?
2. (10 points) Explain the interest parity condition. What key assumption underlies this condition? What factors affect the returns on domestic and foreign assets?
3. (10 points) Explain and show graphically the effect of an increase in the expected inflation rate on the equilibrium exchange rate, everything else held constant.
4. (10 points) Using the ISLM model, explain and show graphically the effect of a fiscal expansion when the demand for money is completely insensitive to changes in the interest rate. What is this effect called?
5. (10 points) Using the ISLM model, explain the effects of a monetary expansion combined with a fiscal contraction. How do the equilibrium level of output and interest rate change?