

國立高雄大學 102 學年度研究所碩士班招生考試試題

科目：經濟學
考試時間：100 分鐘

系所：經營管理研究所(甲組)
本科原始成績：100 分

是否使用計算機：是

I. (60%)MULTIPLE CHOICE QUESTION

所有的答案請寫在答案卷，答案寫法如下列所示：

All answers must be written on the answer sheet

for example:

1	a	6	a	11		16	
2	b	7	b	12		17	
3	c	8	c	13		18	
4	d	9	d	14		19	
5	a	10	a	15		20	

1. A profit maximizing firm will set the price of product based on

- a) average cost.
- b) fixed cost.
- c) marginal cost.
- d) sunk cost.

2. There are consumer A and B with utility functions $U^A = X_A^{0.5}Y_A^{0.5}$ and $U^B = 2X_B^{0.4}Y_B^{0.6}$,

respectively. Both of them have the same income to buy X and Y to maximize utility. Which of the following is true for the equilibrium (X_A, Y_A) and (X_B, Y_B) ?

- a) $X_B > X_A$, $Y_B > Y_A$
- b) $X_B > X_A$, $Y_B < Y_A$
- c) $X_B < X_A$, $Y_B > Y_A$
- d) $X_B = X_A$, $Y_B = Y_A$

3. In an economy, the velocity of money is constant. Real GDP grows by 6% per year, the money stock grows by 12% per year, and the nominal interest rate is 10%. What is the real interest rate?

- a) 3%
- b) 4%
- c) 5%
- d) 6%

4. Assume that both the demand and supply curves are linear. The equilibrium price and quantity in a perfect competition market are 5 and 10, respectively, and in the meantime, the elasticity of demand and supply at equilibrium are 1 and 2, respectively. If the government implements 4 as

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the upper limit of the price, then the deadweight loss in the market will be:

- a) 6.
- b) 8.
- c) 10.
- d) 12.

5. The total variable cost function of a perfect competition firm is $TVC = 2q^2$. If profit is maximizes at $q = 5$, which is also a break-even point for a given price. Thus, if the market price changes to 24, the maximum profit will be

- a) 0.
- b) 12.
- c) 22.
- d) 32.

6. The individual demand function for _____ will increase with the number of consumer.

- a) Network goods
- b) Normal goods
- c) Inferior goods
- d) Club goods

7. The first theorem of welfare economics states that

- a) A Pareto optimal can be sustained by perfect competition of all goods.
- b) If there are n perfect competition markets and $n-1$ of which reach equilibrium, then the other one will also reach equilibrium.
- c) A perfect competition market with pollution is over produced.
- d) To improve social welfare, an imperfect competition market should be subsidized.

8. An industry is monopolized by a pollution firm. If the government wants to improve social welfare, it

- a) should taxize the monopoly.
- b) should subsidize the monopoly.
- c) may taxize or subsidize the monopoly.
- d) need not to do anything.

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9. Contact curve in Edgeworth box is defined as
- the curve that connects all the points where two trader's marginal rate of substitution between two goods are equal to each other.
 - the labor supply curve that bends backward.
 - the curve that connects different combinations of inflation rate and unemployment rate.
 - the curve that connects all the points where sum of two traders' welfare are equal .
10. Which of the following production function is constant return to scale?
- $Q = \frac{LK}{L+K}$
 - $Q = 2LK$
 - $Q = \min\{\sqrt{L}, \sqrt{K}\}$
 - $Q = L^{0.5}K^{0.6}$
11. According to Franco Modigliani's life-cycle hypothesis, the principal determinant(s) of consumption is (are):
- income and wealth.
 - permanent income
 - transitory income.
 - wealth.
12. All of the following are a flow except:
- the number of new computer purchases.
 - the government debt.
 - business expenditures on plant and equipment.
 - the number of people losing their jobs.
13. Real GDP means the value of goods and services is measured in _____ prices.
- current
 - actual
 - constant

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d) average

14. According to the natural-rate hypothesis, the levels of output and unemployment depend on:

- a) aggregate demand in the short run, but not in the long run.
- b) aggregate demand in the long run, but not in the short run.
- c) the natural rate of unemployment in the short run, but the natural rate of inflation in the long run.
- d) the natural rate of inflation in the short run, but the natural rate of unemployment in the long run.

15. Two economies are identical except that the level of capital per worker is higher in Eastland than in Westland. The production functions in both economies exhibit diminishing marginal product of capital. An extra unit of capital per worker increases output per worker:

- a) more in Westland.
- b) more in Eastland.
- c) by the same amount in Eastland and Westland.
- d) in Eastland, but not in Westland.

16. In a small open economy, the real interest rate will always be

- a) equal to the world real interest rate.
- b) above the world real interest rate.
- c) below the world real interest rate.
- d) equal to the world nominal interest rate.

17. A supply shock does *not* occur when

- a) a hurricane destroys crops.
- b) Labor unions push up minimum wage rate.
- c) the government increases the expenditure.
- d) increase of world oil prices.

18. The classical dichotomy

- a) is said to hold when the values of real variables can be determined without any reference to nominal variables or the existence of money.

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- b) fully describes the world in which we live, especially in the short run.
c) arises because money depends on the nominal interest rate.
d) cannot hold if money is “neutral.”
19. In a small open economy, starting from a trade balance, if the government increases the income tax, this will cause a trade _____ and _____ net capital outflow.
- a) surplus; negative
b) surplus; positive
c) deficit; positive
d) deficit; negative
20. ECFA which is a preferential trade agreement between the governments of mainland China and Taiwan is abbreviated from
- a) Economic Cooperation Free Area.
b) Economic Cooperation Free Agreement.
c) Economic Communication Framework Agreement.
d) Economic Cooperation Framework Agreement.

II. (16%) Professor Hwang has a utility of $U(M) = M^{0.5}$, where M is the wealth. Assume that his initial wealth is 250,000. Please answer the following questions:

- (a) Professor Hwang is a risk neutral? a risk lover? or a risk averter? (4%)
(b) There is a gamble in which the player can win 390,000 with probability p : otherwise, win nothing. To play the gamble, the player must pay 90,000. The minimum winning probability p at which Professor Hwang will play the gamble? (4%)
(c) follows (a), the house of professor Hwang may be burned by fire with a probability of 0.1, if the house is burned, he will loss 160,000. An insurance company offers a full compensation contract in which all of the loss 160,000 can be compensated if the house is burned. The insurance premium is 18,000, What's the expected utility of professor Hwang if he does not accept the insurance contract?(3%) What's the expected utility of professor Hwang if he accepts the insurance contract? (3%) Will professor Hwang accept the insurance contract? (2%)

III. (24%) The behavior functions of a country in an open economy are as follows:

Consumption: $C = 250 + 0.8(Y - T)$; investment: $I = 200 - 400i$; government expenditure: $G = 150$;

Tax: $T = 0.2Y$; export; $X = 100$; import: $M = 68 + 0.14Y$; real money demand: $L = 158 - 100i + 0.5Y$;

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money supply: $M^s = 750$. Try to answer the following questions:

- (a) If $P = 1$, what are the equilibrium Y and i , respectively? (4%)

- (b) follows (a), if the government wants to raise the equilibrium Y to 1,236 by the fiscal policy, by what amount the government expenditure G should be increased? At the same time, the new equilibrium i will be?(4%)
- (c) If P is unknown, what's the aggregate demand (AD)function? (4%)
- (d) If the production function is $Y = 60\sqrt{N}$, and the nominal wage rate is sticky at 6, what's the aggregate supply (AS) function? (4%)
- (e) Based on (c) and (d), what are the equilibrium P, Y, i, N ? (8%)