

考生作答須知：

本試卷總共 50 題單選題，請選出最適當之答案；每題 2 分，總分一百分。

1. Economic profit is defined as the difference between revenue and _____.
 - a. explicit cost
 - b. total economic cost
 - c. implicit cost
 - d. shareholder wealth
 - e. none of the above
2. Consumers will be in equilibrium with respect to the consumption of two goods if:
 - a. the ratio of marginal utility to price is equal for both goods.
 - b. the marginal utility of the lowest price good is greater than the marginal utility of the highest price good.
 - c. the ratio of the marginal utility of A to the marginal utility of B is equal to the ratio of the price of B to the price of A.
 - d. the marginal utility of both goods is identical, regardless of the price.
 - e. none of the above.
3. Generally, investors expect that projects with high expected net present values also will be projects with
 - a. low risk
 - b. high risk
 - c. certain cash flows
 - d. short lives
 - e. none of the above
4. The law of diminishing marginal returns:
 - a. states that each and every increase in the amount of the variable factor employed in the production process will yield diminishing marginal returns
 - b. is a mathematical theorem that can be logically proved or disproved
 - c. is the rate at which one input may be substituted for another input in the production process
 - d. none of the above
5. Identify the reasons why the quantity demanded of a product increases as the price of that product decreases.
 - a. as the price declines, the real income of the consumer increases
 - b. as the price of product A declines, it makes it more attractive than product B
 - c. as the price declines, the consumer will always demand more on each successive price reduction
 - d. a and b
 - e. a and c
6. The _____ is the ratio of _____ to the _____.
 - a. standard deviation; covariance; expected value
 - b. coefficient of variation; expected value; standard deviation
 - c. correlation coefficient; standard deviation; expected value
 - d. coefficient of variation; standard deviation; expected value
 - e. none of the above
7. Sources of positive net present value projects include
 - a. buyer preferences for established brand names
 - b. economies of large-scale production and distribution
 - c. patent control of superior product designs or production techniques
 - d. a and b only
 - e. a, b, and c
8. Concerning the maximization of output subject to a cost constraint, which of the following statements (if any) are true?
 - a. At the optimal input combination, the slope of the isoquant must equal the slope of the isocost line.
 - b. The optimal solution occurs at the boundary of the feasible region of input combinations.
 - c. The optimal solution occurs at the point where the isoquant is tangent to the isocost lines.
 - d. all of the above
 - e. none of the above

9. Which of the following best represents management's objective(s) in utilizing demand analysis?
- it provides insights necessary for the effective manipulation of demand
 - it helps to measure the efficiency of the use of company resources
 - it aids in the forecasting of sales and revenues
 - a and b
 - a and c
10. A price elasticity (ED) of -1.50 indicates that for a _____ increase in price, quantity demanded will _____ by _____.
- one percent; increase; 1.50 units
 - one unit; increase; 1.50 units
 - one percent; decrease; 1.50 percent
 - one unit; decrease; 1.50 percent
 - ten percent; increase; fifteen percent
11. Empirical estimates of the price elasticity of demand suggest that the demand for household consumption of alcoholic beverages is:
- highly price elastic
 - price inelastic
 - unitarily elastic
 - an inferior good
 - none of the above
12. Which of the following statements is (are) true concerning a pure competition situation?
- Its demand curve is represented by a vertical line.
 - Firms must sell at or below market price.
 - Marginal revenue is equal to price.
 - both b and c
 - both a and b
13. The purchasing power parity hypothesis implies that an increase in inflation in one country relative to another will over a long period of time
- increase exports
 - reduce the competitive pressure on prices
 - lower the value of the currency
 - increase foreign aid
 - increase the speculative demand for the currency
14. The primary purpose of the Cobb-Douglas power function is to:
- allow one to make estimates of cost-output relationships
 - allow one to make predictions about a resulting increase in output for a given increase in the inputs
 - aid one in gaining accurate empirical values for economic variables
 - calculate a short-run linear total cost function
 - a and b
15. For a short-run cost function which of the following statements is (are) not true?
- The average fixed cost function is monotonically decreasing.
 - The marginal cost function intersects the average fixed cost function where the average variable cost function is a minimum.
 - The marginal cost function intersects the average variable cost function where the average variable cost function is a minimum.
 - The marginal cost function intersects the average total cost function where the average total cost function is a minimum.
 - b and c
16. Which of the following statements about cost functions is true?
- Variable costs will always increase in direct proportion to the quantity of output produced.
 - The less capital equipment employed in the production process relative to labor and other inputs, the longer will be the period of time required to increase significantly the scale of operation.
 - The shape of the firm's long-run cost function is important in decisions to expand the scale of operations.
 - none of the above

17. A firm in pure competition would shut down when:
- a. price is less than average total cost
 - b. price is less than average fixed cost
 - c. price is less than marginal cost
 - d. price is less than average variable cost
18. If the value of the U.S. dollar rises from €1.0 per dollar to €1.3 per dollar,
- a. imports of automobiles from Germany will decline
 - b. American inflation will increase
 - c. German exports of all traded goods will decline
 - d. American exports to Germany will decrease
 - e. sales by American manufacturers for the export markets will increase.
19. Which of the following is not a limitation of the survivor technique for measuring the optimum size of firms within an industry?
- a. since the technique does not employ actual cost data in the analysis, there is no way to assess the magnitude of the cost differentials between firms of varying size and efficiency.
 - b. the managerial and entrepreneurial aspects of the production process are not included in the analysis
 - c. because of legal factors, the long-run cost curve derived by this technique may be distorted and may not measure the cost curve postulated in economic theory
 - d. a and b
 - e. b and c
20. In the long-run, firms in a monopolistically competitive industry will
- a. earn substantial economic profits
 - b. tend to just cover costs, including normal profits
 - c. seek to increase the scale of operations
 - d. seek to reduce the scale of operations
21. When the cross elasticity of demand between one product and all other products is low, one is generally referring to a(n) _____ situation.
- a. oligopoly
 - b. monopoly
 - c. pure competition
 - d. substitution
 - e. monopolistic competition
22. Factors that affect the ability of oligopolistic firms to successfully engage in cooperation include _____.
- a. number and size distribution of sellers
 - b. size and frequency of orders
 - c. product heterogeneity
 - d. a and b only
 - e. a, b, and c
23. Which of the following pricing policies best identifies when a product should be expanded, maintained, or discontinued?
- a. full-cost pricing policy
 - b. target-pricing policy
 - c. marginal-pricing policy
 - d. market-share pricing policy
 - e. markup pricing policy
24. In _____ price discrimination, the monopolist charges each consumer the highest price that purchaser is willing to pay for each unit purchased (provided that this price exceeds the marginal cost of production).
- a. first-degree
 - b. second-degree
 - c. third-degree
 - d. a and b
 - e. none of the above

25. The _____ is equal to the sum of the squares of the market shares of all the firms in an industry.
- market concentration ratio
 - Herfindahl-Hirschman index
 - correlation coefficient
 - standard deviation of concentration
 - none of the above
26. In the event of deflation, or negative inflation, then
- real GDP is always lower than nominal GDP.
 - real GDP is always lower than nominal GDP after the base year.
 - real GDP is always higher than nominal GDP before the base year.
 - None of the above
27. The classical economists believed that
- labor supply is upward sloping because the income effect is greater than the substitution effect.
 - labor supply is upward sloping because the substitution effect is greater than the income effect.
 - labor supply is downward sloping because the income effect is greater than the substitution effect.
 - both b and d.
28. In the classical model, the level of business investment was a function of
- only the expected profitability of investment projects.
 - only the real interest rate.
 - both the expected profitability of investment projects and the real interest rate.
 - only the nominal interest rate.
29. If the government wishes to increase its spending on goods and services by \$10 billion without increasing the overall level of aggregate demand, it should
- increase taxes by \$10 billion.
 - decrease taxes by \$10 billion.
 - increase taxes by more than \$10 billion.
 - increase taxes, but by less than \$10 billion.
30. If the money demand function is given by $M^d = 10 + 0.2Y - 10r$ then a 10-unit increase in the _____ quantity of money will cause the LM schedule to shift to
- to the right by 10 units.
 - to the right by 50 units.
 - to the left by 40 units.
 - to the left by 50 units.
31. The fact that long-run growth in the U.S. has been relatively stable is consistent with the _____ model.
- endogenous growth.
 - supply-side.
 - Keynesian.
 - neoclassical growth.
32. In the Keynesian view, a reduction in the marginal income tax rate would cause
- output to rise and the price level to fall.
 - both output and the price level to rise.
 - output to rise with the price level unchanged.
 - the price level to rise with output unchanged.

33. In the simple Keynesian model, if the tax function is given by $T = 0.15Y$ and the consumption function is $C = 50 + 0.7Y_D$ then a 10-unit increase in government spending would increase equilibrium income by
- 10 units.
 - 11.2 units.
 - 22.4 units.
 - none of the above
34. If money demand does not depend upon income, then
- monetary policy cannot have any effect upon the economy.
 - monetary policy will only affect the level of the price level.
 - monetary policy will only affect interest rates.
 - monetary policy will have a larger impact on income.
35. The LM curve slopes upward because
- as income rises, savings rise, increasing output.
 - as interest rates rise, the money supply rises, increasing output.
 - as interest rates rise, planned investment must fall, increasing output.
 - as income increases, money demand rises, which increases interest rates.
36. Assuming that the exchange rate rises by 5 percent, hence, the dollar volume of exports rises by 5 percent, then foreign exchange earnings would
- remain constant.
 - increase by 5 percent.
 - actually decrease by 5 percent.
 - increase by 10 percent.
37. With respect to the demand side, the Keynesian model
- includes monetary factors.
 - provides a role for government spending and taxes.
 - includes autonomous investment.
 - All of the above
38. If exchange rates are perfectly flexible, an expansionary U.S. monetary policy will
- increase the supply of dollars in the foreign exchange market.
 - shift the LM curve to the right.
 - reduce the demand for dollars in the foreign exchange market.
 - all of the above.
39. The Monetarist model differs from the classical model in that
- changes in aggregate demand, not aggregate supply, drive changes in output.
 - changes in the money supply drive changes in inflation.
 - changes in aggregate supply, not aggregate demand, drive changes in output.
 - money demand is not always stable.
 - none of the above.
40. According to the contract theory of wages, firms and workers agree on a contract that fixes
- money wages.
 - real wages.
 - money wages and employment.
 - real wages and employment.
41. The real exchange rate is
- the price of one currency in terms of another.
 - the price of domestic goods relative to foreign goods.
 - the quantity of gold that can be purchased by one unit of currency.
 - the difference in interest rates between two countries.
42. In the expectations-augmented Phillips curve, $\pi = \pi^e - 3(u - 0.05)$. When $\pi = 0.03$ and $\pi^e = 0.06$, the unemployment rate is

- a. 0.04. b. 0.05. c. 0.06. d. 0.07.

43. Real business cycle theorists think that most business cycle fluctuations are caused by shocks to
a. the production function.
b. the size of the labor force.
c. the real quantity of government purchases.
d. the spending and saving decisions of consumers.
44. The idea that the business cycle is recurrent means that
a. declines in economic activity tend to be followed by further declines, and growth in economic activity tends to be followed by more growth.
b. the standard pattern of contraction-trough-expansion-peak occurs again and again in industrial economies.
c. many economic variables to move together in a predictable way over the business cycle.
d. peaks and troughs of the business cycle occur at regular intervals.
45. In the long run, an increase in the saving rate in a steady-state economy will cause
a. an increase in the capital-labor ratio and an increase in consumption per worker.
b. an increase in the capital-labor ratio and a decrease in consumption per worker.
c. a decrease in the capital-labor ratio and a decrease in consumption per worker.
d. a decrease in the capital-labor ratio and an increase in consumption per worker.
46. Suppose output is \$440 billion, government purchases are \$40 billion, desired consumption is \$320 billion, and net exports are \$35 billion. Absorption is equal to
a. \$405 billion. b. \$420 billion. c. \$435 billion. d. \$440 billion.
47. Monetary policy has short-run effects on which of the following?
a. both the level and composition of output
b. the level of output but not its composition
c. only the price level
d. only the nominal interest rate, not the real interest rate
48. In the IS-LM model, a reduction in the expected rate of deflation will cause
a. a reduction in the real interest rate.
b. a reduction in the nominal interest rate.
c. a reduction in demand.
d. a decrease in the nominal money supply.
49. Suppose there is a monetary expansion. This monetary expansion will always cause a greater increase in output when it is accompanied by
a. a reduction in expected future taxes.
b. an increase in expected future output.
c. a reduction in expected future interest rates.
d. all of the above
50. Which of the following best defines the real exchange rate?
a. the price of domestic currency in terms of foreign currency
b. the price of foreign currency in terms of domestic currency
c. the price of domestic goods in terms of foreign goods
d. the price of foreign bonds in terms of domestic bonds