

國立中興大學97學年度碩士班招生考試試題

科目：經濟學

所別：電子商務研究所丙組

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Part I. Multiple Choice (In the following each question, only one answer best matches the meaning of the question out of the four possible answers. 70% totally, 2% for each)

1. The post hoc fallacy is the
 - (a) assertion that what is true for a part of the whole must be true for the whole.
 - (b) claim that one event caused another because the one event came first.
 - (c) use of ceteris paribus in order to study the impact of one factor.
 - (d) Claim that the timing of two events has nothing to do with which event caused the other.
2. People have different amounts of income. This observation is most directly related to which of the big microeconomic questions?
 - (a) The "what" question.
 - (b) The "how" question.
 - (c) The "why" question.
 - (d) The "for whom" question.
3. Positive and normative statements differ in that
 - (a) positive statements can be tested, whereas normative statements cannot.
 - (b) normative statements can be tested, whereas positive statements cannot.
 - (c) normative statements depict "what is" and positive statements depict "what ought to be."
 - (d) positive statements can be graphed, whereas normative statements cannot.
4. Production points inside the production possibilities frontier
 - (a) are unattainable.
 - (b) are attainable only with the full utilization of all resources.
 - (c) are associated with unused or misallocated resources.
 - (d) result in more rapid growth.
5. Because of the existence of comparative advantage, the total output of goods is higher when each producer
 - (a) produces several different goods.
 - (b) produces at the midpoint of its PPF.
 - (c) makes both intermediate and final goods.
 - (d) specializes in the production of a particular good.
6. In a world lacking property rights, it would be .

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- (a) easier to realize the gains from trade and there would be less specialization.
- (b) harder to realize the gains from trade and there would be less specialization.
- (c) harder to realize the gains from trade and there would be more specialization.
- (d) easier to realize the gains from trade and there would be more specialization.

7. Economic growth is enhanced by all of the followings except

- (a) the existence of the market.
- (b) investment in human capital.
- (c) capital accumulation.
- (d) technological change.

8. If the marginal benefit of computers consumed is greater than the marginal cost of computers produced, this implies that

- (a) there is the optimal output of computers from social viewpoint.
- (b) there is the optimal output of computers from producers' viewpoint.
- (c) there should be more output of computers produced.
- (d) there should be less output of computers produced.

9. A change in the price of a good

- (a) shifts the good's demand curve and also causes a movement along it.
- (b) shifts the good's demand curve but does not cause a movement along it.
- (c) does not shift the good's demand curve but does cause a movement along it.
- (d) neither shifts the good's demand curve nor causes a movement along it.

10. Good A and good B are substitutes in production. The demand for good A decreases, which lowers the price of good A. The decrease in the price of good A

- (a) decreases the supply of good B.
- (b) increases the supply of good B.
- (c) decreases the demand for good B.
- (d) increases the demand for good B.

11. Wages for workers producing Walkmans and similar products will rise next year. Walkman Watch asks you to predict the effect of this change in next year's markets for Walkman. You predict that the major effect will be that the

- (a) demand curve for a Walkman will shift rightward.
- (b) demand curve for a Walkman will shift leftward.
- (c) supply curve for a Walkman will shift leftward.
- (d) supply curve for a Walkman will shift rightward.

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12. The more substitutes available for a product,
(a) the larger is its the price elasticity of demand.
(b) the smaller is its income elasticity of demand.
(c) the smaller is its price elasticity of demand.
(d) the larger is its cross elasticity of demand.
13. A leftward shift of the supply curve of cookies raises the price of a cookie from 10 cents to 20 cents and decreases the quantity demanded from 700,000 to 500,000. You can conclude that
(a) the demand for cookies is elastic.
(b) the demand for cookies is inelastic.
(c) the supply of cookies is elastic.
(d) the supply of cookies is inelastic.
14. A rise in the price of a product lowers the total revenue from the product if the
(a) income elasticity of demand exceeds 1.
(b) good is an inferior product.
(c) demand for the product is inelastic.
(d) demand for the product is elastic.
15. Moving up (to the left) along a linear demand curve, the price elasticity of demand
(a) decreases.
(b) increases.
(c) does not change.
(d) at first increases and then decreases.
16. A long-run supply curve for a perfectly competitive industry can slope upward because of
(a) external economies.
(b) external diseconomies.
(c) internal diseconomies.
(d) diminishing marginal returns.
17. Firms with advancing technology can make _____ in a perfectly competitive industry in the short run.
(a) no economic profits
(b) economic profits
(c) economic loss

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(d) normal profits only

18. Which of the following is not a barrier to entry for a monopolist?

- (a) Economies of scale for the relevant range of output.
- (b) A patent on the product being sold.
- (c) The ability to charge a price that is above marginal cost.
- (d) Receiving a government authorized monopoly.

19. Which of the following is true of a monopoly?

- (a) It can always increase its revenue by increasing the price to its customers.
- (b) It will always operate somewhere along the elastic portion of the demand curve.
- (c) Its marginal cost curve is always downward sloping.
- (d) A single-price monopolist's demand curve is the same as its marginal revenue curve.

20. Which of the following is always true for a single-price monopolist in equilibrium?

- (a) $P > MC$
- (b) $P > MR$
- (c) $MR = MC$
- (d) All of the above are always true.

21. If a monopolist can perfectly price discriminate, then

- (a) it will charge just two different prices in two different markets.
- (b) it will not give a discount to those who buy in bulk.
- (c) the deadweight loss is larger than if it cannot price discriminate.
- (d) there will be no consumer surplus.

22. Relative to perfect competition, a single-price monopolist that maximizes its profits would offer a greater quantity at a lower price if

- (a) it can exploit economies of scale or scope.
- (b) it earns zero profit.
- (c) there are no barriers to entry.
- (d) it sets marginal revenue equal to marginal cost.

23. In monopolistic competition, there are

- (a) many firms making a differentiated product.
- (b) few firms making a differentiated product.

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- (c) many firms making an identical product.
(d) few firms making an identical product.
24. The kinked demand curve model assumes that a firm's rivals will
(a) follow the firm's price increases but not its price decreases.
(b) follow the firm's price decreases but not its price increases.
(c) follow any price change the firm makes.
(d) not follow any of the firm's price changes.
25. Economists are critical of monopoly because
(a) monopolists can earn zero economic profit in the long run.
(b) monopolists can create a deadweight loss.
(c) monopolists do not always operate at a higher price than perfectly competitive firms.
(d) economies of scope result in higher average costs.
26. In the dominant firm model of oligopoly
(a) the demand curve facing the dominant firm equals the demand curve of the entire market minus the supply of the smaller firms.
(b) the demand curve facing the dominant firm is the same as the demand curve of the entire market.
(c) the marginal revenue curve is kinked.
(d) all the smaller firms don't follow the price determined by the dominant firm.
27. A main different characteristic of monopolistic competition compared to perfect competition is
(a) no use of advertising to promote their products.
(b) high barriers to entry and exit.
(c) product differentiation.
(d) high turnover of firms.
28. A monopolist's supply curve is always
(a) constructed by its marginal cost curve above its average variable cost curve.
(b) constructed by its positively sloped marginal cost curve.
(c) equal to the horizontal summation of all perfectly competitive firms.
(d) non-existent.
29. Compared to the profits earned by a single-price monopoly, a monopoly executing price discrimination can make _____
(a) no economic profits.
(b) less economic profits.
(c) larger economic profits.
(d) normal profit only.
30. The main characteristic of the kinked demand curve theory of oligopoly is
(a) an indeterminate price.
(b) an indeterminate quantity produced.

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- (c) a sticky price.
(d) that the firm can charge a high price sufficient to increase its marginal cost.
31. Which of the following is true regarding macroeconomics?
I. Economists only started to study macroeconomic topics like long-term economic growth and international payments in the 1960s.
II. The origin of macroeconomics started in the 1700s.
III. "Modern macroeconomics emerged as a result of the Great Depression."
(a) I and II
(b) I and III
(c) II and III
(d) I, II and III
32. The expansion of an economy's production possibilities is known as
(a) inflation.
(b) economic growth.
(c) the business cycle.
(d) economic fluctuations.
33. A cost of economic growth is
(a) a more equal income distribution.
(b) lower current consumption.
(c) higher spending for environment protection.
(d) a lower level of future living standards.
34. Fiscal policy involves
(a) the use of interest rates to influence the level of GDP.
(b) the use of tax and spending policies by the government.
(c) decreasing the role of the central bank in the everyday life of the economy.
(d) the use of tax and money policies by the government to influence the level of interest rates.
35. Gross domestic product can be calculated
(a) either by valuing the nation's output of goods and services or by valuing the income generated in the production process.
(b) by adding up the personal consumption of all members of the society.
(c) by adding up the value of all intermediate goods used in the economy.
(d) by adding up the income tax returns of all members of the society.

Part II. What is the Lucas wedge? What are the main challenges of macro-economic policy? Describe them briefly. (15%)

Part III. What is the business cycle? How will the investment expenditure of the firms be financed from the government and foreign sectors in an open economy? Use the GDP identity to explain it briefly. (15%)