

# 逢甲大學104學年度碩士班考試入學試題

編號：006 科目代碼：203

科目	經濟學	適用系所	國際貿易學系	時間	100 分鐘
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※請務必在答案卷作答區內作答。

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## I. (39%)

1. Due to the depreciation of Japanese dollar, the demand for Japanese cars increases also. Then, people can predict

- A) the demand for tire will increase and the price of tire will go up too.
- B) the demand for tire will decrease and the price of tire will go down too.
- C) the supply of tire will increase, but the price of tire will go down.
- D) the supply of tire will decrease, but the price of tire will go up.

2. Given that the demand function for Good X is  $Q_x = 100 - 2P_x + 0.01I + 0.5P_y$ , then we know

- A) X is a Giffen good, X and Y are complements
- B) X is a normal good, X and Y are complements
- C) X is a normal good, X and Y are substitutes
- D) X is a Giffen good, X and Y are substitutes

3. Based on the information above, other thing being equal, if the price for X goes down, then revenues for firm will

- A) rise
- B) decrease
- C) un-change
- D) none of the above.

4. If the absolute value for price elasticity of demand is equal to the price elasticity of supply, and government imposes an unit-tax on Good X, then consumer will bear

- A) one half of taxes
- B) 2/3 of taxes
- C) all taxes
- D) none of taxes.

5. Given that the utility function for Mr. A is  $U = \text{Min}(2X, Y)$ , then we know

- A) MRS for Mr. A is  $-1/2$
- B) MRS for Mr. A is  $-2$
- C) Mr. A will spend all his money on good X based on utility maximization principle
- D) the utility maximizing quantity for X is  $X = I / (P_x + 2P_y)$

6. Based on the information above, X and Y are

- A) perfect substitutes
- B) perfect complements
- C) independent
- D) none of the above.

7. If X is a neutral good, and Y is a good, then the indifference curve for X and Y

- A) does not exist
- B) is a vertical line
- C) is a horizontal line

D) is negative-sloped and convex to the origin

8. The reason for diminishing marginal returns is

- A) that the scale of firm is too large
- B) that the price for factor of production goes up
- C) there are some fixed inputs in the short-run
- D) all of the above

9. If  $AVC=k$  (constant value), then

- A)  $AVC=MC$
- B)  $AVC < ATC$
- C) the law of diminishing marginal return does apply in this case
- D) all of the above.

10. If the cost function for firm A is  $C = 100 - 20q + (1/4)q^2$ , and the market price is 20, then the profit-maximizing quantity and profit should be

- A)  $q=80, \pi=1500$
- B)  $q=80, \pi=1600$
- C)  $q=60, \pi=1500$
- D)  $q=60, \pi=1600$

11. Which of following statements is true for Natural monopolist

- A) If  $P=MC$ , then there should exist profit loss
- B) if  $P=AC$ , there should exist deadweight loss
- C) if  $MR=MC$ , firm will earn some economic profits
- D) all of the above

12. Monopolistic competition differs from perfect competition primarily because

- A) in monopolistic competition, firms can differentiate their products.
- B) in perfect competition, firms can differentiate their products.
- C) in monopolistic competition, entry into the industry is blocked.
- D) in monopolistic competition, there are relatively few barriers to entry.

13. Which of the following is correct? A monopolist

- A) will sell less at a higher price
- B) has a marginal revenue less than price
- C) will produce where  $MR=MC$
- D) is a price maker

## II. (11%)

The table below shows two Japanese rice-cooker-manufacturers' (Tiger(虎牌) and Zojirushi(象印)) profits combination,

		Zojirushi rice-cooker			
		P=1000	P=1500	P=2000	P=2500
Tiger Rice-cooker	P=1000	180, 180	184, 178	185, 175	186, 173
	P=1500	178, 184	183, 183	192, 182	194, 180
	P=2000	175, 185	182, 192	191, 191	198, 190
	P=2500	173, 186	180, 194	190, 198	196, 196

The digit in the left is the profit for Tiger, and the profit for Zojirushi is in the right.

- (1) What is (or are) Nash equilibrium. (5%)
- (2) What is (or are) Dominant strategy equilibrium. (6%)

## III. (39%)

1. Which of the following statements about the underground economy is *true*?
  - A) The underground economy in developing countries amounts to less than 10% of measured GDP.
  - B) Most transactions that occur in the underground economy are included in the calculation of GDP.
  - C) Excluding underground economy production from measured GDP causes errors in GDP growth estimates in the long run.
  - D) Income that is earned but not reported as income for tax purposes is included in the calculation of GDP.
  
2. The automatic mechanism \_\_\_\_\_ the price level in the case of \_\_\_\_\_ and \_\_\_\_\_ the price level in the case of \_\_\_\_\_.
  - A) raises; recession; lowers; expansion
  - B) raises; expansion raises; recession
  - C) lowers; expansion; lowers; recession
  - D) lowers; recession; raises; expansion
  
3. When housing prices \_\_\_\_\_, as they did beginning in 2006 following the housing market bubble, consumption spending on furniture, appliances, and home improvements declined as many households found it \_\_\_\_\_ to borrow against the value of their homes.
  - A) rise; easier
  - B) rise; harder
  - C) fall; easier
  - D) fall; harder
  
4. Potential GDP refers to
  - A) the level of GDP attained when all firms are producing at capacity.
  - B) the level of GDP attained by the country with the highest growth in real GDP in a given year.
  - C) the difference between the highest level of real GDP per quarter and the lowest level of real GDP per quarter within any given year.
  - D) the extent to which real GDP is above or below nominal GDP.
  
5. The proponents of rational expectations and monetarism think that the Federal Reserve should adopt
  - A) an inflation target.
  - B) a monetary aggregate target.
  - C) a constant monetary growth rule.
  - D) an interest rate target.
  
6. During the Great Depression, what appeared to be \_\_\_\_\_ fiscal policy was actually not when the \_\_\_\_\_ budget deficit or surplus is examined.
  - A) expansionary; actual
  - B) expansionary; cyclically adjusted
  - C) contractionary; actual
  - D) contractionary; cyclically adjusted
  
7. If your nominal wage rises faster than the price level, we can say your real wage has \_\_\_\_\_ and the purchasing power of your income has \_\_\_\_\_.
  - A) fallen; fallen
  - B) fallen; risen
  - C) risen; risen
  - D) risen; fallen
  
8. Which of the following will shift the demand for the euro to the right?

- A) an increase in interest rates in the European Union
- B) an increase in incomes in countries that buy goods from the European Union
- C) expectations among speculators that the price of the euro will rise in the future
- D) All of the above will shift the demand for the euro to the right.

9. Hyperinflation can be caused by

- A) the government selling bonds to the central bank.
- B) the central bank selling bonds to the public.
- C) the government selling bonds to the public.
- D) the central bank selling bonds to the government.

10. When the Fed embarked on a policy known as quantitative easing, they

- A) slowly lowered the federal funds rate target until it was equal to zero.
- B) they reduced the required reserve ration by one-quarter point per month for 12 months.
- C) bought longer-term securities than are usually bought in open market operations.
- D) opened up lending to primary dealers, commercial banks, and investment banks.

11. Because \_\_\_\_\_ in the government budget deficit increase the real interest rate, budget deficits can \_\_\_\_\_ firm investment.

- A) increases; increase
- B) decreases; increase
- C) decreases; decrease
- D) increases; decrease

12. If you liquidate \$3,000 of your mutual fund and transfer the funds to your checking account, then initially, M1 will \_\_\_\_\_ and M2 will \_\_\_\_\_.

- A) not change; decrease
- B) increase; decrease
- C) increase; not change
- D) not change; not change

13. Economists who believe the supply-side effects of tax cuts are small essentially believe that

- A) tax cuts mainly affect aggregate demand.
- B) tax cuts mainly affect aggregate supply.
- C) tax cuts will increase the quantity of labor supplied.
- D) tax cuts will result in relatively small changes in the price level.

#### IV. (11%)

Starting from long-run equilibrium (1%), use the basic aggregate demand and aggregate supply diagram to explain what happens in both the long run (5%) and the short run (5%) when there is a decline in wealth.