

單選題(共100題, 每題1分, 共100分)

- 1) Economics is best defined as the study of how people
 - A) attain wealth.
 - B) use their infinite resources.
 - C) choose abundance over scarcity.
 - D) make choices to cope with scarcity.
- 2) A monopolistically competitive firm has _____ power to set the price of its product because _____.
 - A) no; there are no barriers to entry
 - B) no; of product differentiation
 - C) some; there are barriers to entry
 - D) some; of product differentiation
- 3) An externality can be a
 - A) benefit but not a cost.
 - B) cost or a benefit.
 - C) cost but not a benefit.
 - D) marginal cost but not a total cost.
- 4) The use of government purchases and taxes to manipulate the economy is known as
 - A) anti-stabilization policy.
 - B) balancing the budget.
 - C) federal expenditure.
 - D) fiscal policy.
- 5) Consider the market for hot dogs. If the government imposes a tax on hot dogs,
 - A) the marginal cost and marginal benefit of hot dogs will decrease.
 - B) deadweight loss will be minimized.
 - C) there will be a gain of producer surplus.
 - D) there will be a loss of consumer surplus.
- 6) The marginal revenue curve for a single-price monopoly
 - A) lies above its demand curve.
 - B) is horizontal.
 - C) lies below its demand curve.
 - D) coincides with its demand curve.
- 7) Advertising by firms in monopolistic competition
 - A) can persuade customers that product differentiation exists.
 - B) provides consumers with no useful information.
 - C) wastes resources because the entry of rivals forces firms to be price takers.
 - D) does not occur.
- 8) Monetarists contend that
 - A) increases in money growth increase investment.
 - B) exports decrease as a result of an increase in money growth.
 - C) wages are "sticky" the entire time that the economy is in a recession.
 - D) the Keynesian multiplier is too small.
- 9) If taxes exactly equaled government expenditures in a year the
 - A) federal government debt would decrease.
 - B) budget deficit would be zero.
 - C) budget deficit would not change.
 - D) federal government debt would be zero.
- 10) A price _____ makes it illegal to pay a lower price than the specified level. One example is
 - A) floor; the minimum wage.
 - B) ceiling; rent control.
 - C) ceiling; the minimum wage.
 - D) floor; rent control.

- 11) All of the following are a current account transaction EXCEPT
 - A) importing services.
 - B) importing goods.
 - C) investing abroad.
 - D) exporting goods.
- 12) A large part of the principal-agent problem stems from the desire of
 - A) principals to avoid working.
 - B) agents to work hard.
 - C) principals to work hard.
 - D) agents to avoid working.
- 13) On-the-job-training is an example of
 - A) investment in human capital.
 - B) investment in physical capital.
 - C) technological change.
 - D) increasing labor force participation.
- 14) An example of a variable resource in the short run is
 - A) capital equipment.
 - B) land.
 - C) an employee.
 - D) a building.
- 15) Net investment during a year equals
 - A) the change in investment spending and the change in government expenditures on infrastructure.
 - B) the change in capital stock over the year.
 - C) exports minus imports.
 - D) the change in inventories over the year.
- 16) An increase in the value of a domestic currency in terms of other currencies is known as
 - A) an appreciation.
 - B) a depreciation.
 - C) a term not given in the above answers.
 - D) a flexible exchange rate.
- 17) In perfect competition, an individual firm
 - A) has a price elasticity of supply equal to infinity.
 - B) faces unitary elasticity of demand.
 - C) faces infinitely elastic demand.
 - D) has a price elasticity of supply equal to one.
- 18) Income earned by owners of capital is classified as
 - A) commission payments.
 - B) rent payments.
 - C) wages and salaries.
 - D) interest payments.
- 19) The consumption function shifts upward when
 - A) saving increases.
 - B) disposable income increases.
 - C) the population decreases.
 - D) wealth increases.
- 20) Monetarists would try to control inflation by
 - A) letting the quantity of money vary with needs.
 - B) increasing tax rates.
 - C) a constant rate of growth of the quantity of money.
 - D) decreasing government purchases.
- 21) The tools at the disposal of the Fed for changing the quantity of money do NOT include
 - A) changing discount rates.
 - B) open market operations.
 - C) changing the required reserve ratio.
 - D) increasing the number of commercial banks.

- 22) In computing GDP, it is essential to
- include government tax revenues.
 - include government transfer payments.
 - avoid double counting.
 - count all intermediate products directly as they are produced.
- 23) Comparative advantage implies that a country will
- export those goods in which the country has a comparative advantage.
 - find it difficult to conclude free trade agreements with other nations.
 - import those goods in which the country has a comparative advantage.
 - export goods produced by domestic industries with low wages relative to its trading partners.
- 24) Measured wealth is a less accurate indicator of economic inequality than is measured income because measured wealth excludes
- owner-occupied housing.
 - human capital.
 - depreciation.
 - financial assets.
- 25) Perfect competition is an industry with
- a few firms producing goods that differ somewhat in quality.
 - a few firms producing identical goods.
 - many firms producing identical goods.
 - many firms producing goods that differ somewhat.
- 26) The Keynesian explanation of the business cycle rests on several concepts, including
- shocks to the rate of technological change.
 - sticky money wage rates.
 - the desire of politicians to be re-elected.
 - unstable monetary policy by the Fed.
- 27) Any production point outside the production possibilities frontier
- is unattainable.
 - is attainable only if prices rise.
 - is attainable only if prices fall.
 - is associated with unused resources.
- 28) If the marginal revenue product of labor exceeds the wage rate, a firm in a competitive labor market will
- pay a higher wage.
 - employ more labor.
 - pay a lower wage.
 - employ less labor.
- 29) If the Fed responds to an increase in aggregate demand by increasing the quantity of money,
- there may be continued inflation.
 - wages will fall to reduce the unemployment.
 - nothing happens because aggregate demand had already increased.
 - output will begin to decrease more rapidly than otherwise.
- 30) In order to promote long-term economic growth via investment in new technologies, the government can
- raise interest rates.
 - provide tax incentives for research and development activities.
 - use discretionary fiscal policy.
 - increase the quantity of money.

- 31) The variables that determine a household's budget line are
- A) its preferences and income. B) prices and income.
C) its preferences and prices. D) None of the above are correct.
- 32) What is measured on the vertical axis of a diagram showing the aggregate supply curve?
- A) the interest rate B) real national income
C) nominal income D) the price level
- 33) Which of the following statements can be used to describe efficiency?
- I. Efficiently using resources means that producers make the highest profits possible.
II. Using resources efficiently means that we cannot produce more of one good without producing less of another good that has a higher value.
III. Resource use is efficient when we produce goods and services that people value most highly.
- A) I and II B) I only C) I, II and III D) II and III
- 34) A shift in the aggregate expenditure curve as a result of an increase in the price level results in a
- A) rightward shift in the aggregate demand curve.
B) movement down along the aggregate demand curve.
C) leftward shift in the aggregate demand curve.
D) movement up along the aggregate demand curve.
- 35) The opportunity cost of any action is
- A) the time required but not the monetary cost. B) all the possible alternatives forgone.
C) the monetary cost but not the time required. D) the highest-valued alternative forgone.
- 36) Gina is eating two slices of pizza. Which of the following statements is true?
- A) Gina's marginal benefit from the second slice of pizza equals the maximum she is willing to pay for the second slice.
B) Gina must have some consumer surplus from the second slice of pizza.
C) Gina's marginal benefit from the second slice of pizza is equal to the sum of the benefit from the first slice plus the benefit from the second slice.
D) Gina can not have any consumer surplus from the second slice of pizza.
- 37) If the Fed wants to increase the quantity of money, it can
- A) sell government securities in the open market. B) instruct banks to print more money.
C) raise the required reserve ratio. D) buy government securities on the open market.
- 38) If the quantity of labor supplied equals the quantity of labor demanded,
- A) the economy has an above the full-employment equilibrium.
B) the economy is operating on the long-run aggregate supply curve.
C) the income effect equals the opportunity cost effect.
D) the real wage equals the money wage.
- 39) If the marginal social cost of pollution equals the marginal external cost of pollution, then the marginal private cost of pollution
- A) equals the marginal private benefit. B) equals the marginal social cost.
C) equals the marginal social benefit. D) is zero.

- 40) Firms in monopolistic competition always will
- A) produce at the minimum average total cost.
 - B) earn an economic profit.
 - C) set their price above their marginal cost.
 - D) set their price equal to their marginal cost.
- 41) Suppose the data show that an unanticipated change in tax rates caused a recent recession. These data support which model of the business cycle?
- A) new Keynesian
 - B) new classical
 - C) real business cycle
 - D) Both answers A and B are correct.
- 42) Let MU_a and MU_b stand for the marginal utilities of apples and bagels. Let P_a and P_b stand for their prices. The general necessary condition for consumer equilibrium is
- A) $MU_a / MU_b = P_b / P_a$.
 - B) $MU_a = MU_b$ and $P_a = P_b$.
 - C) $MU_a = MU_b$.
 - D) $MU_a / P_a = MU_b / P_b$.
- 43) Markets allow economic growth to occur by promoting
- A) specialization.
 - B) enforcement of property rights.
 - C) exchange of goods and services.
 - D) Both answers A and C are correct.
- 44) The price elasticity of demand measures
- A) how often the price of a good changes.
 - B) the slope of a budget curve.
 - C) the responsiveness of the quantity demanded to changes in price.
 - D) how sensitive the quantity demanded is to changes in demand.
- 45) Full employment means that
- A) there is no cyclical unemployment.
 - B) there is no structural or frictional unemployment.
 - C) there is no cyclical or frictional unemployment.
 - D) no one is unemployed.
- 46) The term "business cycle" most closely refers to the
- A) fiscal year.
 - B) accounting period used by firms.
 - C) fluctuating profits of firms.
 - D) alternating periods of expansions and recessions.
- 47) Demand is perfectly inelastic when
- A) shifts of the supply curve results in no change in quantity demanded.
 - B) the good in question has perfect substitutes.
 - C) shifts of the supply curve results in no change in the total revenue from sales.
 - D) shifts in the supply curve results in no change in price.
- 48) Investment includes
- A) purchases of stocks and bonds.
 - B) purchases of new assembly lines.
 - C) additions to inventories.
 - D) Both answers B and C are correct.

- 49) The economic profit of a perfectly competitive firm
- is greater than its total revenue.
 - equals its total revenue.
 - is less than its total revenue if its supply curve is inelastic and is greater than its total revenue if its supply curve is elastic.
 - is less than its total revenue.
- 50) Initially in a cost-push inflation
- the price level rises and real GDP decreases.
 - only real GDP changes while the price level remains constant.
 - the price level and real GDP both increase.
 - All of the above answers are correct.
- 51) Diminishing marginal utility is
- an implication of utility theory.
 - a result of the law of demand.
 - a result of the law of supply.
 - an assumption of utility theory.
- 52) Which of the following correctly completes this statement? Gains from trade are
- the same as decreasing costs of production.
 - unrelated to the terms of trade.
 - obtained when a country can consume beyond its production possibilities frontier.
 - All of the above answers are correct.
- 53) Efficiency in the provision of a public good is achieved when its
- marginal benefit equals its marginal cost.
 - average benefit equals its average cost.
 - total benefit equals its total cost.
 - marginal benefit equals zero.
- 54) In a regulated natural monopoly, a marginal cost pricing rule maximizes
- economic profit.
 - total costs.
 - producer surplus.
 - total surplus.
- 55) The demand for a good increases when the price of a substitute _____ and also increases when the price of a complement _____.
- falls; rises
 - rises; falls
 - falls; falls
 - rises; rises
- 56) "When the cost of producing a unit of a good falls because the firm uses specialized resources to produce a range of goods and services" is the definition of
- economic efficiency.
 - economies of scope.
 - economies of scale.
 - technological efficiency.
- 57) When the cost of producing a unit of a good decreases as its output rate increases, there are economies of
- production.
 - size.
 - scale.
 - scope.
- 58) An efficiency wage is a wage
- such that the quantity of labor demanded exceeds the quantity of labor supplied.
 - that reduces unemployment to zero.
 - that is the equilibrium wage only when the economy is producing at its potential GDP.
 - at which there are no discouraged workers.

- 59) By definition, an inferior good is a
- good for which demand decreases when its price rises.
 - normal substitute good.
 - want that is not expressed by demand.
 - good for which demand decreases when income increases.
- 60) The _____ the expected profit rate from new capital, the greater is the _____.
- greater; investment demand
 - lower; capital stock
 - lower; investment demand
 - None of the above answers is correct
- 61) When disposable income equals consumption expenditure, then
- the $MPC = \text{zero}$.
 - saving is zero.
 - the $MPS = \text{zero}$.
 - None of the above are correct.
- 62) The short-run aggregate supply curve is
- negatively sloped.
 - horizontal.
 - positively sloped.
 - vertical.
- 63) The annual return on a stock consists of
- the dividends divided by the price of the stock.
 - only the dividends paid to stockholders.
 - the dividends multiplied by the number of shares outstanding.
 - the dividends plus the change in the price of the stock.
- 64) The law of diminishing returns implies that, with the use of capital fixed, as the use of labor rises,
- the total product of labor will fall below the marginal product of labor.
 - the production process will become technologically inefficient eventually.
 - total product will fall eventually.
 - the marginal product of labor will fall eventually.
- 65) The quantity of goods and services that an hour of labor earns is defined as the
- marginal product of labor.
 - money wage rate.
 - supply of labor.
 - real wage rate.
- 66) The demand for a good is elastic if
- a decrease in its price results in a decrease in total revenue.
 - an increase in its price results in an increase in total revenue.
 - an increase in its price results in a decrease in total revenue.
 - the good is a necessity.
- 67) The most important sources of economic growth include all of the following EXCEPT
- investment in human capital.
 - technological change.
 - growth in labor productivity.
 - growth in government assistance to industry.
- 68) _____ points out that a rise in the price level decreases the value of real wealth, which then decreases consumption.
- The interest rate effect
 - The substitution effect
 - The open-economy effect
 - The wealth effect

- 69) Regulation refers to
 A) the formation of monopolies.
 B) rules administered by a government agency.
 C) cartelization of a competitive industry.
 D) the discipline of the marketplace.
- 70) A tax is regressive if the average tax rate
 A) increases as income increases.
 B) is less than one.
 C) is negative.
 D) increases as income decreases.
- 71) The aggregate demand curve is shifted rightward by
 A) an increase in tax rates.
 B) a decrease in government purchases.
 C) an increase in government purchases.
 D) an increase in the federal budget surplus.
- 72) If Sam is producing at a point on his production possibilities frontier, then he
 A) is not subject to scarcity.
 B) will be unable to gain from trade.
 C) can produce more of one good only by producing less of the other.
 D) cannot produce any more of either good.
- 73) The statement "An increase in the price of gasoline will lead to a decrease in the amount purchased" is
 A) a positive statement.
 B) a normative statement.
 C) a political statement.
 D) a scientific statement.
- 74) Higher anticipated inflation
 A) has no effect on investment.
 B) cannot affect tax rates unless the government enacts fiscal policy.
 C) has no effect on nominal interest rates.
 D) lowers the after-tax real interest rates.
- 75) An advantage of the corporate form of organization is that
 A) owners have joint unlimited liability.
 B) owners have individual unlimited liability.
 C) owners have limited liability.
 D) creditors have unlimited liability.
- 76) If the real interest rate rises, we would expect
 A) you to earn a higher income.
 B) you to decrease your expected future income.
 C) you to save more.
 D) you to save less.
- 77) Indifference curves
 A) are bowed out away from the origin.
 B) are straight lines with a positive slope.
 C) slope upward to the right.
 D) are bowed in toward the origin.
- 78) A stock's capital loss is _____
 A) the dividend paid on the stock
 B) a decrease in its price
 C) an increase in its price
 D) the retained earnings of the stock
- 79) When we cannot produce more of any good without giving up some other good that we value more highly, we have achieved
 A) equity.
 B) economic growth.
 C) production.
 D) allocative efficiency.

- 80) Sam's demand curve for pizza
- A) has one point in common with her marginal benefit curve for pizza.
 - B) is the same as her marginal benefit curve for pizza.
 - C) lies above her marginal benefit curve for pizza.
 - D) lies below her marginal benefit curve for pizza.
- 81) Credit cards are
- A) not a part of money because they are not a means of payment.
 - B) a part of M2 but not a part of M1.
 - C) a part of M1 but not of M2.
 - D) a part of money because they are used to purchase goods and services.
- 82) In the calculation of gross domestic product by the expenditure approach, the "investment" component is
- A) gross investment.
 - B) gross investment minus depreciation.
 - C) gross investment plus depreciation.
 - D) net investment.
- 83) If the demand for its product is inelastic, a monopoly's
- A) marginal revenue is equal to zero.
 - B) marginal revenue is negative.
 - C) total revenue increases when the firm lowers its price.
 - D) total revenue is unchanged when the firm lowers its price.
- 84) As the quantity of a good consumed increases, its marginal utility _____ and its total utility _____.
- A) increases; increases
 - B) decreases; increases
 - C) increases; decreases
 - D) decreases; decreases
- 85) The monetary base consists of
- A) demand deposits and vault cash.
 - B) government securities held by the Fed.
 - C) the quantity of money.
 - D) Federal Reserve notes, coins, and banks' deposits at the Fed.
- 86) An increase in the size of the multiplier can be caused by
- A) an increase in the marginal propensity to import.
 - B) an increase in the MPC.
 - C) an increase in the MPS.
 - D) a decrease in induced expenditures.
- 87) Good A and good B are substitutes in production. The demand for good A increases so that the price of good A rises. The increase in the price of good A shifts the
- A) supply curve of good B rightward.
 - B) demand curve for good B leftward.
 - C) supply curve of good B leftward.
 - D) demand curve for good B rightward.
- 88) The most important goal of the firm is to
- A) maximize its profits.
 - B) minimize its costs.
 - C) maximize its sales volume.
 - D) maximize its revenues.

- 89) As a unit of account, money is used to
- A) state prices of all goods and services.
 - B) exchange for goods and services.
 - C) pay off future debts.
 - D) hold purchasing power over time.
- 90) Lowering the tariff on good X will
- A) increase the domestic imports of good X.
 - B) increase the domestic price of good X.
 - C) have no effect unless the nation's trading partner lowers its tariff on good X.
 - D) increase domestic employment in industry X.
- 91) Marginal cost is calculated as
- A) the increase in total cost divided by the increase in output.
 - B) total cost divided by output.
 - C) total cost minus total fixed cost.
 - D) the increase in total cost divided by the increase in labor, given the amount of capital.
- 92) When dealing with anything that is measured as a flow, one must
- A) make sure the thing can be measured accurately.
 - B) specify a time period.
 - C) use dollar values.
 - D) specify the point in time one is using.
- 93) Unregulated monopolies
- A) cannot change the market quantity.
 - B) can influence the market quantity and price.
 - C) cannot incorporate.
 - D) take the market price as given.
- 94) At the best affordable point, consumers equate their marginal rates of substitution to
- A) their money income.
 - B) relative quantities.
 - C) their real income.
 - D) relative prices.
- 95) A fall in the price of a good causes producers to reduce the quantity of the good they are willing to produce. This fact illustrates
- A) the law of supply.
 - B) a change in supply.
 - C) the nature of an inferior good.
 - D) the law of demand.
- 96) The difference between actual reserves and required reserves is
- A) net worth.
 - B) borrowings from the Fed.
 - C) illegal reserves.
 - D) excess reserves.
- 97) Nonrivalry is a feature of
- A) excludable goods.
 - B) all nonexcludable goods.
 - C) pure public goods.
 - D) goods but not services.
- 98) When the production possibilities frontier bows outward from the origin,
- A) some of society's resources are unemployed.
 - B) opportunity costs are decreasing.
 - C) opportunity costs are increasing.
 - D) opportunity costs are constant.

- 99) The marginal product of labor is the
- A) change in total product produced by hiring an additional unit of labor.
 - B) total revenue divided by units of labor.
 - C) revenue gained by employing one more unit of labor.
 - D) revenue gained by selling one more unit of output produced by hiring additional units of labor.
- 100) The closer an income Lorenz curve is to the line of equality, the
- A) less equally income is distributed.
 - B) slower income is growing.
 - C) more equally income is distributed.
 - D) faster income is growing.