

考試科目	經濟學	所別	經濟系甲組	考試時間	4月20日(日)下午第一節
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單選題 (每題 2 分, 共 100 分)

國立政治大學圖書館

- 1) The fallacy of composition is
 - A) an expression that means "other things being equal."
 - B) a statement about the way the economic world ought to be.
 - C) the error of reasoning that a first event causes a second event because the first event occurred before the second event.
 - D) the (false) statement that what is true of the parts is true of the whole or what is true of the whole is true of the parts.
- 2) Marginal benefit is
 - A) the benefit from consuming one more unit of a good and decreases as consumption of the good increases.
 - B) the opportunity cost of producing one more unit of a good and increases as production of the good increases.
 - C) the benefit from consuming one more unit of a good and increases as consumption of the good increases.
 - D) the opportunity cost of producing one more unit of a good and decreases as production of the good increases.
- 3) When the price is less than the equilibrium price,
 - A) there will be a shortage.
 - B) the price will be forced higher.
 - C) some consumers will be willing to pay a price higher than the prevailing price.
 - D) All of the above answers are correct.
- 4) The income elasticity of demand for food
 - A) increases as an individual's income increases.
 - B) does not change when an individual's income changes.
 - C) is negative.
 - D) decreases as an individual's income increases.
- 5) Which of the following is the best definition of producer surplus?
 - A) The difference between the highest and lowest prices received by any pair of producers within a specified period of time.
 - B) The difference between the price a firm received and the amount consumers were willing to pay.
 - C) The difference between the price a firm actually received and the minimum price the firm would have accepted.
 - D) The difference between the price a firm received and the lowest price received by its competitors.

備 考 試 題 隨 卷 繳 交

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- 6) A price ceiling such as a rent ceiling
 A) always results in a shortage.
 B) always results in a surplus.
 C) results in a shortage if the ceiling price is less than the equilibrium price.
 D) results in a surplus if the ceiling price is less than the equilibrium price.
- 7) What is the key assumption that says marginal utility increases as the quantity of the good consumed decreases?
 A) the principle of diminishing marginal utility
 B) the principle of marginal utility
 C) the principle of diminishing total utility
 D) consumer equilibrium
- 8) Given an increase in income, marginal utility theory predicts that consumption of
 A) all goods will increase.
 B) inferior goods will increase and consumption of normal goods will decrease.
 C) normal goods will increase and consumption of inferior goods will decrease.
 D) None of the above answers is correct.
- 9) Bart consumes food and clothing, which are both normal goods. Suppose that the price of food falls. The substitution effect of this price decrease is _____ and the income effect of this price decrease is _____.
 A) reflected by a parallel shift outward of the budget line; that Bart earns more money each month
 B) reflected by a change in the relative prices of food and clothing; is represented by a movement along the original indifference curve
 C) reflected by the change in the slope of the budget line; that Bart has greater purchasing power
 D) that Bart buys more clothing and less food; that Bart buys more of both food and clothing
- 10) In a given market, a large number of firms sell a similar product. Consumers think that each firm's product is somewhat different from that of its competitors. This market is
 A) equivalent to a monopoly because consumers think the products are different.
 B) equivalent to an oligopoly because consumers think the products are different.
 C) monopolistically competitive.
 D) perfectly competitive.
- 11) In a diagram with the total cost curve and the total variable cost, as output increases, the vertical distance between these two curves
 A) increases.
 B) gets smaller and then bigger again.
 C) is constant.
 D) decreases.
- 12) In the long run, for a perfectly competitive industry,
 A) if economic profit is equal to zero then there is no entry or exit of firms into or out of the industry.
 B) if economic profit is less than zero then some firms will exit the industry and the industry supply curve will shift leftward.
 C) if economic profit is greater than zero then some firms will enter the industry and the industry supply curve will shift rightward.
 D) All of the above answers are correct.

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試題隨卷繳交

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- 13) Which of the following statements about the long-run industry supply curve is INCORRECT?
- A) It shows how the quantity supplied by an industry varies as the market price varies after all the possible adjustments have been made.
- B) It will be upward sloping in the presence of external diseconomies.
- C) It will be downward sloping in the presence of external economies.
- D) It must be upward sloping because of the law of supply.
- 14) To its maximize profit, the monopolist produces on the _____ portion of its demand where _____.
- A) inelastic; $MR = MC$
- B) elastic; $P = MC$
- C) inelastic; $P = MC$
- D) elastic; $MR = MC$
- 15) A single-price monopolist produces a _____ quantity than a perfectly competitive industry with the same costs and charges a _____ price than the perfectly competitive industry.
- A) lesser; lower
- B) greater; higher
- C) lesser; higher
- D) greater; lower
- 16) In the long run, firms in monopolistic competition produce at a level that is
- A) equal to capacity output.
- B) above capacity output.
- C) below capacity output.
- D) All of the above are possible depending on market conditions.
- 17) The kinked demand curve model of oligopoly is based on the assumption that each firm believes that
- A) if it raises or lowers its price other firms will follow.
- B) if it raises its price other firms will not follow, and if it lowers its price other firms will follow.
- C) if it raises its price other firms will follow, and if it lowers its price other firms will not follow.
- D) if it raises or lowers its price other firms will not follow.
- 18) Which of the following is NOT a profit maximizing condition under perfect competition?
- A) Marginal revenue product = wage rate.
- B) Marginal revenue = marginal cost.
- C) Price = marginal cost.
- D) None of the above because all the conditions are profit maximizing.
- 19) The income effect points out the labor supply curve has a
- A) positive slope because an increase in the wage will cause an increase in income.
- B) negative slope because an increase in the wage will cause an increase in hours worked to earn more income.
- C) negative slope because an increase in income causes an increase in the demand for leisure.
- D) positive slope because an increase in income causes an increase in the demand for leisure.
- 20) The wage rate for high-skilled labor is higher than that for low-skilled labor because
- A) the demand for high-skilled labor is less than the demand for low-skilled labor and the supply of high-skilled labor is greater than the supply of low-skilled labor.
- B) both the demand for and the supply of high-skilled labor is greater than that for low-skilled labor.
- C) the demand for high-skilled labor is greater than the demand for low-skilled labor and the supply of high-skilled labor is less than the supply of low-skilled labor.
- D) both the demand for and the supply of high-skilled labor is less than that for low-skilled labor.

備 考 試 題 隨 卷 繳 交

考試科目	政治學	所別	經濟學甲組	考試時間	4月20日(日)下午第一節
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- 21) Which of the following statements about the efficiency or inefficiency of the political equilibrium under the public interest theory and the public choice theory is correct?
- A) Public interest theory predicts an efficient political equilibrium, while public choice theory predicts an inefficient political equilibrium.
 - B) Public interest theory predicts an inefficient political equilibrium, while public choice theory predicts an efficient political equilibrium.
 - C) Both public interest theory and public choice theory predict an efficient political equilibrium.
 - D) Both public interest theory and public choice theory predict an inefficient political equilibrium.
- 22) As the extent to which a natural monopolist can inflate its costs under rate of return regulation increases, which of the following occurs?
- A) The profits enjoyed by the shareholders of the regulated firm increase.
 - B) The price of the product produced by the regulated firm rises.
 - C) The deadweight loss decreases.
 - D) The amount of output produced by the regulated firm increases.
- 23) When an external benefit arises from a product,
- A) unregulated, competitive markets produce a level of output at which the marginal social cost is greater than the marginal social benefit.
 - B) the marginal social benefit curve lies above the marginal private benefit curve.
 - C) unregulated, competitive markets produce a level of output at which the marginal social cost is less than the marginal social benefit.
 - D) the marginal social cost curve lies below the marginal private cost curve.
- 24) Comparative advantage is defined as
- A) being able to produce at a lower opportunity cost than your competitors.
 - B) the ability to undercut your competitors through the practice of dumping.
 - C) Both answers A and B are correct.
 - D) Neither answer A nor B is correct.
- 25) Which of the following statement is false?
- A) Common stock holders are entitled to vote for the firm's board of directors.
 - B) Limited liability limits the stockholder's potential loss to the amount invested in the stock.
 - C) Most stockholders purchase the stock they own from other stockholders.
 - D) Every time someone buys a share of stock, the issuing company gains revenue.
- 26) Economists define depreciation as
- A) the decrease in the capital stock from wear and tear and obsolescence.
 - B) the drop in the price of a company's product.
 - C) the loss in stock market of a company's value.
 - D) All of the above answers are correct.
- 27) Which statement correctly describes "structural unemployment?"
- A) The amount of structural unemployment depends on normal labor turnover.
 - B) Structural unemployment occurs even when the economy is at the natural rate of unemployment.
 - C) Structural unemployment is also called "frictional unemployment."
 - D) Structural unemployment occurs mainly during recessions.

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- 28) Which of the following statements regarding aggregate supply are correct?
- Moving along the short-run aggregate supply curve, the money wage rate changes but the price level is constant.
 - Moving along the long-run aggregate supply curve, both the price level and the money wage rate change by the same percentage.
 - Moving along the long-run aggregate supply curve, the money wage rate changes but the price level is constant.
 - Moving along the short-run aggregate supply curve, both the price level and the money wage rate change by the same percentage.
- 29) The quantity of labor _____ is _____.
- supplied; the number of labor hours people plan to work
 - supplied; the relationship between the labor supply and real GDP
 - demanded; the number jobs people want
 - demanded; the relationship between labor demanded and real GDP
- 30) Suppose there is an increase in the price level and no change in the money wage rate. As a result,
- the labor supply curve shifts leftward as people demand higher wages.
 - the labor supply curve shifts rightward as people demand higher wages.
 - there is an upward movement along the labor supply curve.
 - there is a downward movement along the labor supply curve.
- 31) Which of the following statements is incorrect?
- The real interest rate is the return on capital.
 - The nominal interest rate is the interest rate expressed in terms of money.
 - If there is inflation, the nominal interest rate exceeds the real interest rate.
 - The real interest rate, like the real wage rate, tends to increase over time.
- 32) The "Ricardo-Barro" indirect effect of government dissaving refers to
- the international impact of government deficits.
 - a large crowding out effect from a government budget surplus.
 - a large crowding out effect from a government budget deficit.
 - a change in private savings supply.
- 33) The productivity curve is a relationship between _____ and _____.
- real GDP; capital
 - real GDP per hour of labor; capital
 - real GDP; hours of labor
 - real GDP per hour of labor; capital per hour of labor
- 34) Which of the following is consistent with the classical theory of growth?
- permanent growth in productivity
 - permanent increases in living standards
 - rapid population growth in poor countries
 - permanent increases in real wages
- 35) Read the two statements below and indicate if they are true or false.
- Autonomous expenditures change when GDP changes.
 - Aggregate planned expenditure is the sum of planned consumption expenditure, investment, government purchases, and net exports.
- I is true and II is false.
 - I and II are both true.
 - I is false and II is true.
 - I and II are both false.

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- 36) The intertemporal substitution effect of a change in the price level results from a
- change in the price of foreign goods relative to domestic goods.
 - change in the purchasing power of wealth.
 - change in the price of current goods relative to future goods.
 - Both answers B and C are correct.
- 37) Fiscal policy includes
- decisions related to the purchase of government goods and services, the value of transfer payments, and tax revenue.
 - only decisions related to the purchase of government goods and services and the value of transfer payments.
 - only decisions related to the purchase of government goods and services.
 - only decisions related to the value of transfer payments and tax revenue.
- 38) Which of the following measures would constitute contractionary fiscal policy?
- an increase in the marginal tax rate
 - an increase in lump-sum transfer payments
 - an increase in government purchases of goods and services
 - None of the above are contractionary fiscal policy.
- 39) Balance sheet regulations that set depository reserve requirements
- restrict the types of deposits that a financial institution may accept.
 - establish the minimum amount of an owner's own resources that must be in the bank.
 - set minimum percentages of deposits that must be held as liquid assets.
 - place restrictions on the proportions of different types of loans a bank may make.
- 40) The deposit multiplier equals
- the required reserve ratio.
 - the change in reserves divided by the change in deposits.
 - the change in deposits divided by the change in reserves.
 - one minus the required reserve ratio.
- 41) To decrease commercial bank lending the Fed can
- lower the required reserve ratio, raise the discount rate, or buy government securities.
 - lower the required reserve ratio, lower the discount rate, or buy government securities.
 - raise the required reserve ratio, lower the discount rate, or sell government securities.
 - raise the required reserve ratio, raise the discount rate, or sell government securities.
- 42) The money multiplier determines how much
- the quantity of money will be expanded given a change in the monetary base.
 - money demand will expand given a change in the quantity of money.
 - the monetary base will be expanded given a change in the quantity of money.
 - real GDP will be expanded given an increase in autonomous investment.
- 43) Cost-push inflation might start to occur if the
- money wage rate increases.
 - quantity of money decreases.
 - government increases its purchases.
 - money wage rate decreases.

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- 44) A rational expectation is
- a forecast which perfectly foretells the future.
 - a forecast devoid of all emotions.
 - the best possible forecast based upon all relevant information.
 - the forecast that automatically carries over from past forecasts.
- 45) Which of the following statements regarding business cycles is correct?
- Between 1920 and 2000 there have been 10 recessions.
 - In recent years, business cycle expansions have been getting shorter in duration.
 - The average length of a recession is just over one year.
 - Expansions and recessions are about equal in length.
- 46) Which of the following would be classified as "monetary policy?"
- the Fed increasing the discount rate
 - Congress approving higher unemployment benefits
 - Congress cutting tax rates so households have more money to spend.
 - the President proposing higher government spending
- 47) Economists who maintain that changes in real GDP are the result of mainly changes in long-run aggregate supply are called
- new Keynesian activists.
 - monetarists.
 - Keynesian activists.
 - real business cycle theorists.
- 48) Comparative advantage is defined as
- being able to produce at a lower opportunity cost than your competitors.
 - the ability to undercut your competitors through the practice of dumping.
 - Both answers A and B are correct.
 - Neither answer A nor B is correct.
- 49) X is exports, M is imports, T is net taxes, G is government purchases, C is consumption expenditure, S is saving, and I is investment. Which of the following equations represents the private sector surplus or deficit?
- $X - M$
 - $C + S + T$
 - $S - I$
 - $T - G$
- 50) Which of the following statements are correct?
- A higher capital gains tax rate lowers the after-tax return on stocks.
 - A capital gains tax is imposed on stockholders each quarter of the year.
- I only
 - II only
 - neither I nor II
 - I and II