

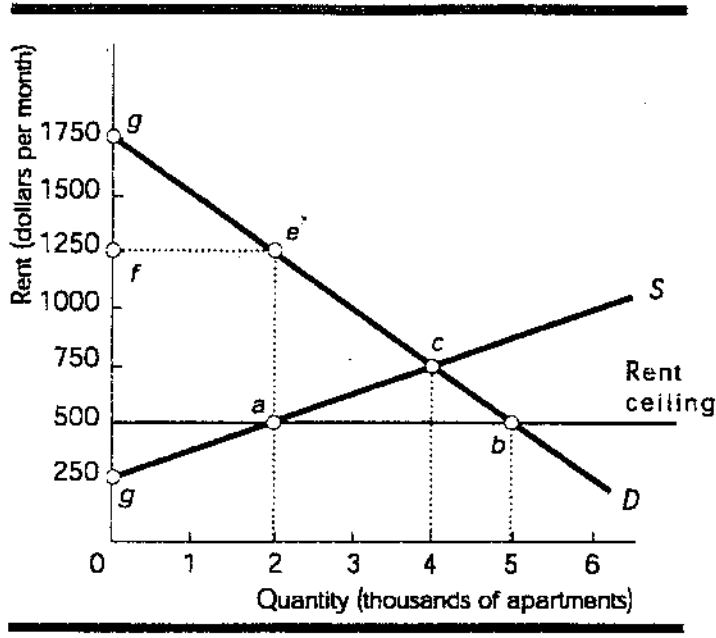
單選題(每題 2.5 分, 共 100 分, 不選扣)

- 1) If the price of a soda increases from 75¢ to \$1.00 and as a result the quantity demanded of sodas decreases from 10 to 9 per week, the elasticity of demand for sodas equals
A) 0.83. B) 1.20. C) 0.37. D) 2.72.

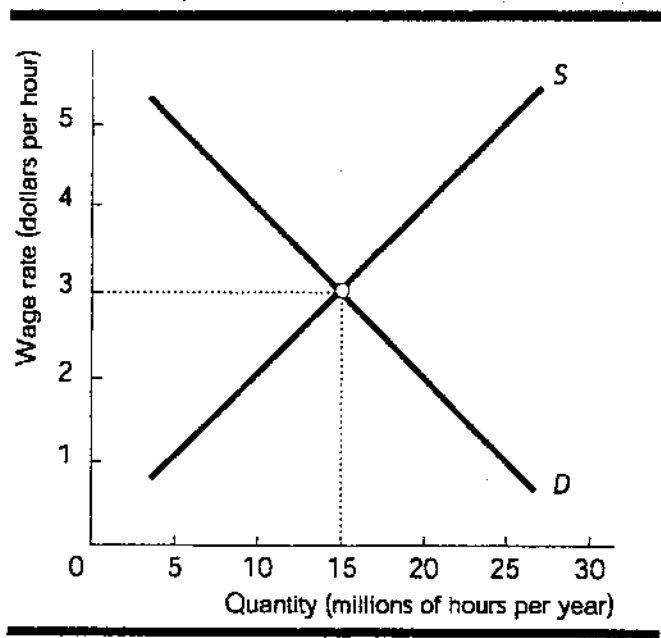
- 2) The price elasticity of demand for meat in general is inelastic while the price elasticity of demand for turkey or chicken is more elastic. Why?
A) Because turkey and chicken are inferior goods.
B) Because turkey and chicken are normal goods.
C) Turkey and chicken are not red meat. Because they are not the same as other meats, they should have different elasticities.
D) Turkey and chicken have many substitutes, such as fish or beef, while meat in general has fewer substitutes.

- 3) The deli saw an increase in the quantity of sandwiches it sells after the pizzeria next to the deli raised the price for pizza. This result is because
A) pizza and sandwiches have nothing to do with each other. The fact these two events happened together is merely coincidence.
B) pizza and sandwiches are complements. Thus when people decrease the quantity of pizza they buy, they buy more complements and hence the quantity of sandwiches sold increased.
C) pizza and sandwiches are close substitutes for each other. The higher price for pizza results in consumers decreasing the quantity of pizza they buy and buying more sandwiches.
D) None of the above should have happened because pizza and sandwiches are complements: as the quantity of pizza demanded decreases, so should the quantity of sandwiches demanded.

(背面仍有題目, 請繼續作答)

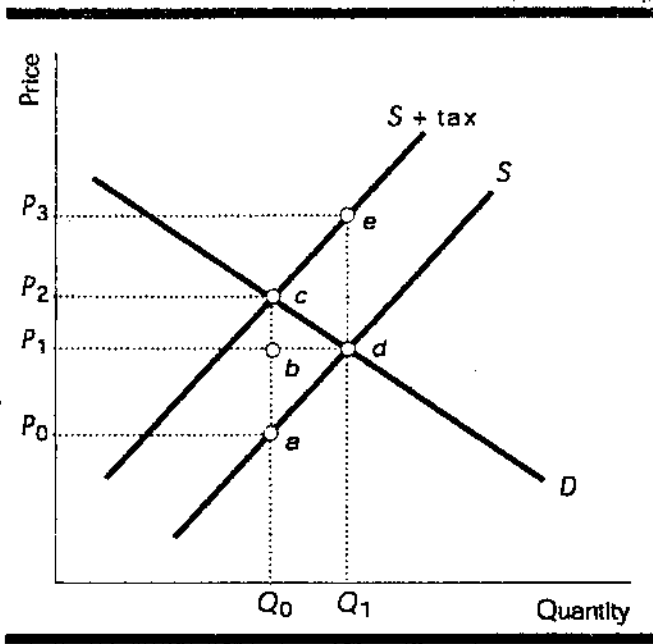


- 4) The above figure shows the demand and supply curves for housing in City A. What would be the effects of a rent ceiling equal to \$500 per month?
- A) a surplus equal to 3000 apartments.
 - B) a shortage equal to 250 apartments.
 - C) a shortage equal to 3000 apartments.
 - D) nothing because the rent ceiling has no effect on the equilibrium price and quantity.
- 5) The above figure shows the demand and supply curves for housing in City A. As a result of a rent ceiling at \$500, the deadweight loss is represented by the area
- A) triangle *eca*.
 - B) triangle *gfe*.
 - C) rectangle *feag*.
 - D) triangle *acb*.

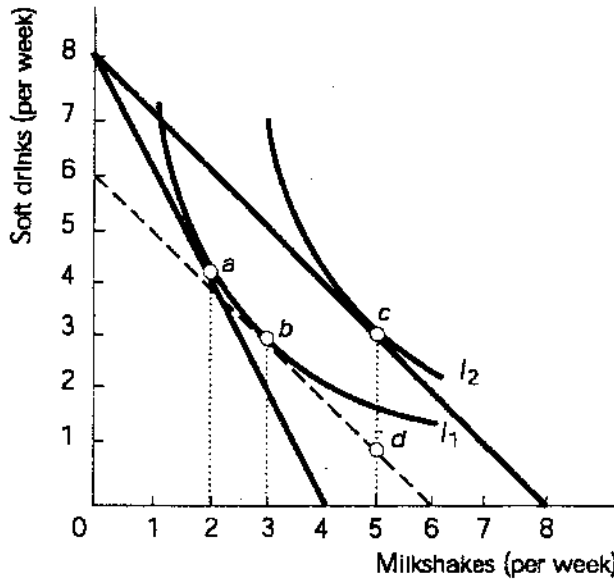


- 6) In the above figure, a minimum wage has an effect on the market for low-skilled labor if it is set at
- A) \$2.00.
 - B) \$4.00.
 - C) \$3.00.
 - D) all of the above

- 7) In the above figure, if the minimum wage is set at \$5.00 per hour, what effect will it have on the market for low-skilled labor?
- A) The minimum wage will generate a shortage of low-skilled labor.
 - B) The minimum wage will have no effect when set above the equilibrium wage rate.
 - C) The minimum wage will attract more labor to the low-skilled labor market and cause the wage rate to fall.
 - D) The minimum wage will generate a surplus of low-skilled labor.



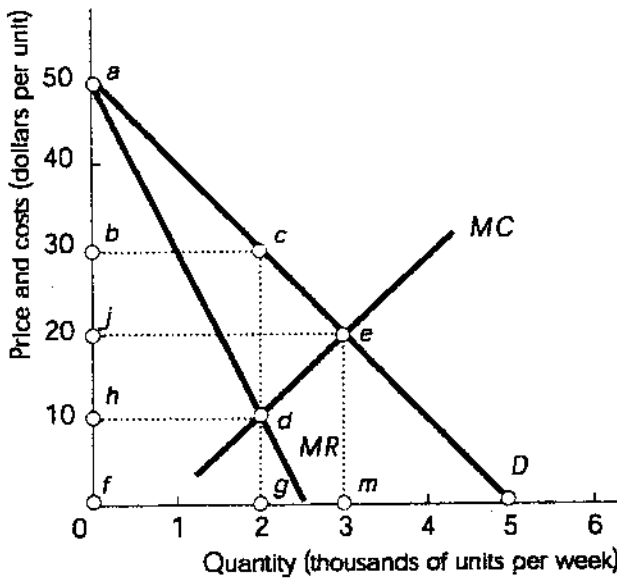
- 8) To help pay for the cost of sport related injuries, the government imposes an excise tax on all sports equipment. Using the above figure, how much consumer surplus is lost from this excise tax on sports equipment?
- A) P_1P_2cd
 - B) ced
 - C) P_2P_3ec
 - D) bcd
- 9) To help pay for the cost of sport related injuries, the government imposes an excise tax on all sports equipment. The deadweight loss created by this excise tax would be greater than shown in the figure above if
- A) the demand were more elastic.
 - B) the supply were more elastic.
 - C) Neither of the above
 - D) Both of the above
- 10) To help pay for the cost of sport related injuries, the government imposes an excise tax on all sports equipment. Referring to the above figure, how much tax revenue does the government raise from this excise tax on sports equipment?
- A) P_1P_3ed
 - B) ecd
 - C) P_1P_2cb
 - D) P_0P_2ca
- 11) The paradox of value states that
- A) water has a low total utility but a high marginal utility.
 - B) diamonds have a high value for total and marginal utility.
 - C) diamonds have a low total utility but a high marginal utility.
 - D) water has low values for total and marginal utility.



- 12) In the above figure, income is \$8, the price of a soft drink is \$1, and the initial price of a milkshake is \$2. If the price of a milkshake decreases to \$1, the substitution effect is the movement from point _____ to point _____.
- A) a; b B) a; c C) b; c D) b; d
- 13) In the above figure, income is \$8, the price of a soft drink is \$1, and the initial price of a milkshake is \$2. If the price of a milkshake decreases to \$1, milkshakes are revealed to be
- A) an inferior good. B) less preferred than soft drinks.
 C) a normal good. D) None of the above answers is correct.

Quantity (dozens of sea shells per day)	Total variable cost (dollars)
200	60.00
201	61.00
202	62.50
203	64.00
204	66.00
205	68.50
206	72.00

- 14) Sue's Sea Shells by the Sea Shore is a perfectly competitive firm selling sea shells at the market price of \$2/dozen. Sue's Sea Shells by the Sea Shore has fixed costs of \$40/day and a daily variable cost schedule in the table above. The maximum profit attainable by Sue's Sea Shells by the Sea Shore is
- A) \$302.00 per day. B) \$262.00 per day. C) \$262.50 per day. D) \$302.50 per day.
- 15) Sue's Sea Shells by the Sea Shore is a perfectly competitive firm selling sea shells at the market price of \$2/dozen. Sue's Sea Shells by the Sea Shore has fixed costs of \$40/day and a daily variable cost schedule in the table above. Based on this information, we can expect the number of firms in the sea shell market to
- A) decrease. B) increase.
 C) remain constant. D) It is impossible to say.



- 16) In the above figure, a single-price monopolist charges a price of _____, resulting in total revenue equal to area _____.
- A) \$10; *hbcd* B) \$10; *fbcg* C) \$20; *ffem* D) \$30; *fbcg*
- 17) In the above figure, a single-price monopolist charges a price of _____, but the equilibrium competitive price is _____.
- A) \$30; \$20 B) \$20; \$30 C) \$30; \$10 D) \$10; \$20
- 18) In the above figure, if the single-price monopolist charges a price that maximizes its profits, consumer surplus is _____.
- A) area *jae*. B) area *bac*. C) area *hacd*. D) area *jbce*.
- 19) In the above figure, if a single-price monopolist charges the profit-maximizing price, the triangle *dce* represents _____.
- A) deadweight loss. B) producer surplus. C) marginal revenue. D) consumer surplus.
- 20) Which of the following is TRUE about a firm in monopolistic competition in the long run?
- A) $ATC = MC$ B) $P = MC$ C) $P = MR$ D) $P = ATC$

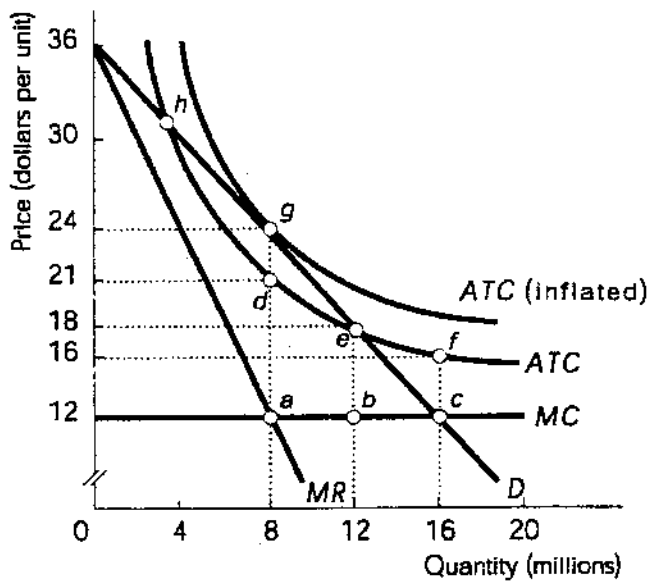
(背面仍有題目,請繼續作答)

		Firm A	
		R&D	No R&D
Firm B	R&D	A: \$25 B: \$15	A: -\$3 B: \$60
	No	A: \$60 B: -\$3	A: \$50 B: \$35

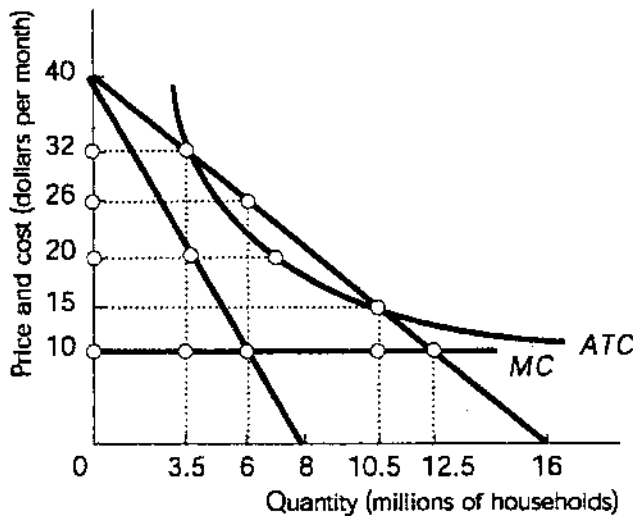
- 21) Firms A and B can conduct research and development (R&D) or not conduct it. R&D is costly but can increase the quality of the product and thus possibly increase sales. The payoff matrix is the economic profits of the two firms and is given above, where the numbers are millions of dollars. A's best strategy is to
- A) conduct R&D only if B does not conduct R&D.
 - B) not conduct R&D regardless of what B does.
 - C) conduct R&D only if B conducts R&D.
 - D) conduct R&D regardless of what B does.

		Disney	
		Thanksgiving release	Christmas release
Fox	Thanksgiving release	D: \$100 F: \$80	D: \$105 F: \$95
	Christmas release	D: \$110 F: \$100	D: \$95 F: \$85

- 22) Disney and Fox must decide when to release their next films. The revenues received by each studio depends on when the other studio releases its film. Each studio can release its film at Thanksgiving or at Christmas. The revenues received by each studio, in millions of dollars, are depicted in the payoff matrix above. Which of the following statements correctly describes Fox's strategy given what Disney's release choice may be?
- A) If Disney chooses a Thanksgiving release, Fox should choose a Christmas release.
 - B) If Disney chooses a Christmas release, Fox should choose a Thanksgiving release.
 - C) Fox should release on Christmas regardless of what Disney does.
 - D) Both answers A and B are correct.



- 23) In the above figure, if the natural monopoly is regulated with an average cost pricing rule and the firm does not inflate its costs, then consumer surplus will be
- A) \$60 million. B) \$216 million. C) \$192 million. D) \$108 million.



- 24) Consider the market for cable television in the figure above. This graph depicts a natural monopoly because the
- A) marginal revenue curve is downward sloping. B) average total cost curve is declining.
 C) demand curve is downward sloping. D) marginal cost curve is constant.
- 25) When a foreign firm sells its exports at a lower price than its cost of production, which of the following has occurred?
- A) a voluntary export restraint (VER) B) dumping
 C) a tariff D) a quota

(背面仍有題目,請繼續作答)

- 26) In 2002, Ozzie purchased a 1997 Ford Escort from his neighbor for his son, purchased a 1999 "one owner" Camry from Larchmont Toyota for his wife, bought a 2001 new BMW sportscar for himself, and sold his 1993 Dodge Caravan to his teenage nephew. Which, if any, of these transactions will be included in GDP in 2002?
- A) the purchase of the BMW and the Caravan
 B) all four transactions
 C) all three purchases but not the sale
 D) only the purchase of the BMW

Component	Amount (billions of dollars)
Net taxes	1,635
Personal consumption expenditure	5,566
Depreciation	622
Government purchases	1,784
Gross investment	1,234
Exports	957
Imports	1,138
Household saving	1,202

- 27) Using the data in the table above, what is the value of GDP?
- A) \$9,541 billion
 B) \$8,403 billion
 C) \$13,516 billion
 D) \$10,679 billion
- 28) Using the data in the above table, what is the value of national saving?
- A) \$1,202 billion
 B) \$1,053 billion
 C) -\$85 billion
 D) \$2,837 billion
- 29) Suppose initially that the working-age population is 220 million, the labor force is 150 million, and the unemployment rate is 10 percent. 5 million new jobs are created and filled by 5 million people who had previously been discouraged workers. What is the new unemployment rate?
- A) 8.7 percent
 B) 9.7 percent
 C) 6.7 percent
 D) 6.25 percent
- 30) In the 1990s, video recordings were made primarily on tapes. However, in 2000 DVDs became increasingly popular, leading to a sharp decline in video tapes. As a result, many people who manufactured tapes lost their jobs and didn't have the skills necessary to work making DVDs. This occurrence is best consider an example of
- A) structural unemployment.
 B) cyclical unemployment.
 C) frictional unemployment.
 D) underemployment.
- 31) Suppose the Consumer Price Index for the year 2000 is 143.6. What does that number mean?
- A) On average, goods cost \$243.60 each in 2000.
 B) Prices rose 43.6 percent over the reference base period, on average.
 C) Prices rose 143.6 percent over the reference base period, on average.
 D) On average, goods cost \$143.60 each in 2000.

Item	Quantity	2002 Price	2003 Price
Movie tickets	4	\$5.00	\$7.50
Bags of popcorn	2	\$3.00	\$3.00
Drinks of soda	4	\$1.00	\$1.50

- 32) The information in the table above gives the 2002 reference base period market basket and prices used to construct the CPI for a small nation. It also has the 2003 prices. What is the value of the CPI for 2003?
- A) 100 B) 140 C) 75 D) 133
- 33) If the Consumer Price Index in 2001 was 110 and was 115 in 2002, the inflation rate for 2002 was approximately
- A) 4.5 percent. B) 15.0 percent. C) 10.0 percent. D) 5.0 percent.

Real GDP	C	I	G	X	M
100	75	25	95	10	1
200	150	25	95	10	2
300	225	25	95	10	3
400	225	25	95	10	4
500	375	25	95	10	5
600	450	25	95	10	6
700	525	25	95	10	7
800	600	25	95	10	8
900	675	25	95	10	9
1000	750	25	95	10	10

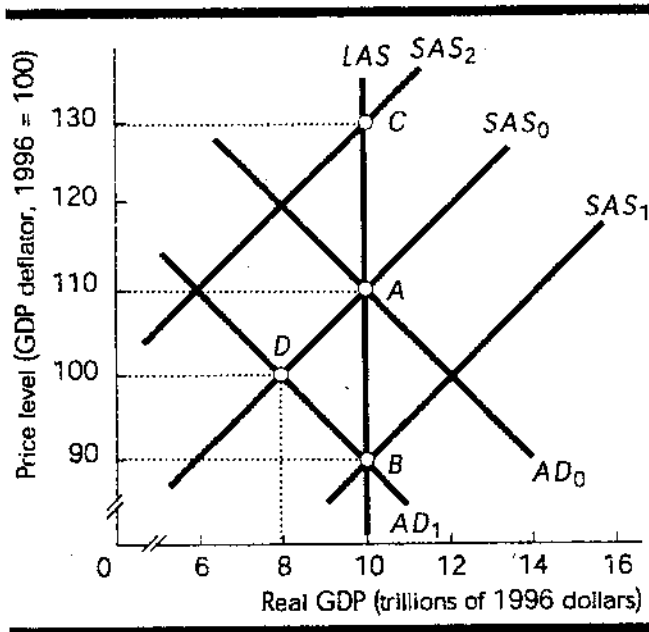
- 34) In the above table, C is consumption expenditure, I is investment, G is government purchases, X is exports, and M is imports. All entries are in dollars. What is the marginal propensity to consume?
- A) 0.75 B) 0.25 C) 0.80 D) 0.20
- 35) In the above table, C is consumption expenditure, I is investment, G is government purchases, X is exports, and M is imports. All entries are in dollars. What is the level of aggregate planned expenditure when real GDP is equal to \$900 billion?
- A) \$1,714 B) \$796 C) \$675 D) \$814
- 36) In the above table, C is consumption expenditure, I is investment, G is government purchases, X is exports, and M is imports. All entries are in dollars. What is the equilibrium expenditure?
- A) \$700 B) \$500 C) \$200 D) \$1,000
- 37) Suppose a country has been running a persistent federal budget deficit. If the deficit is reduced, but remains positive,
- A) government debt will increase.
 B) government debt will decrease.
 C) interest payments on the debt immediately will decrease.
 D) the country will experience a budget surplus.

38) In a simple economy, the consumption function is given by $C=100+0.8(Y - T)$, where Y is aggregate income and $T = 100$ is lump-sum taxes. The level of investment is fixed and there is no foreign sector. If government purchases increase by 100 then the aggregate expenditure line

- A) shifts upward by 80.
- B) shifts downward by 100.
- C) pivots upwards and becomes steeper.
- D) shift upward by 100.

39) According to the quantity theory of money, in the long run

- A) an increase in the quantity of money creates an increase in the products and services available to an economy.
- B) an increase in the quantity of money creates an increase in prices but no additional increase in products or services.
- C) the quantity of money in a society will always be just the right amount.
- D) None of the above answers are correct.



40) In the above figure, the economy is initially at point A. Which point best represents the short-run response to a decrease in the growth rate of the quantity of money, according to the monetarists?

- A) A, that is, there is no change.
- B) B
- C) C
- D) D