PART A:

Essay Questions: (Please answer questions in English.)

1.Define ' leadership' and relate it to management.(25%)

2." Thirty years ago, young employees we hired were ambitious, conscientious, hardworking and honest. Today workers don't have the same values any more." Do you agree or disagree with this comment? Support your position. (25%)

(背面仍有題目,請繼續作答)

PART B:

I. Translation (18 points)

I-1. *Gross national product (GNP) per capita* is the dollar value, through market transactions, of a country's final output of goods and services in a year, divided by its population. It reflects the average income of a country's citizens. (6 points)

I-2. Due to meager natural resources and domestic market, joining the World Trade Organization is Taiwan's destiny. How to liberalize Taiwan's economy effectively while minimizing negative impacts of the WTO accession on domestic economy become deeply concerned issues for policy makers, industries and labor unions. The recognized would-be significant impacts of WTO accession on industries with comparative *dis*advantage, such as agriculture, automobile, and steel industries, are safeguarded in the WTO legal texts. However, the escape and safeguard clauses may be able to temporarily shield the injured industries, nevertheless, improving infrastructure, strengthening the competition related regulations, and promoting R&D and knowledge-based economy are the realistic solutions for long-term development. (12 points)

II. Answer the following four questions in Chinese (32 points)

II-1. The Organization of Petroleum Exporting Countries (OPECs) -- which oversees about 40% of the world's oil production--is due to meet in Vienna on March 27, 2000. The 11-nation group will decide whether to keep current production quotas in place. Expectations are that it will increase output by around 1 million barrels a day to just under 25 million barrels. But many observers warn that may not be enough to restock depleted inventories--as a result, oil prices could nudge as high as $35 a barrel over the next few months. If it is the case, the impact will be significant in threefold: a deteriorating trade position, inflationary pressure and, in some cases, a strain on government budgets.

Q1: Why should we concern about OPECs' oil production? (6 points)

II-2. According to statistics released in March 2000 by the Ministry of Economic Affairs (MOEA), among different broad categories of exported products, electronic products and equipment, including semiconductors, led in the increase in value of export orders last month, with US$950 million or 30.82%, followed by plastic and rubber products with US$390 million and information technology equipment with US$350 million. The export orders coming from the U.S. last month posted the largest total value among all of Taiwan's export markets. Europe recorded the second largest value of US$1.75 billion, and Hong Kong (including transshipment to mainland China) ranked third.

Q2: Rank Taiwan's top three growing exported goods and exported destinations, according to the MOEA's statistical data in February 2000. (6 points)

II-3. The Internet will boost efficiency and growth. As with most technological revolutions, the biggest benefits of the Internet will flow to consumers and not, in the end, to producers. In practice, the Internet cannot easily be separated from information technology (computers, software and telecoms) in general. In America, the European Union and Japan, business spending on IT is growing at an average annual rate of 12%, much faster than overall investment. This promises additional productivity gains. Economists suggest that the new economy should be called the "nude economy" because the Internet makes it more transparent and exposed. The Internet makes it easier for buyers and sellers to compare prices. It cuts out the middlemen between firms and customers. It reduces transaction costs. And it reduces barriers to entry.

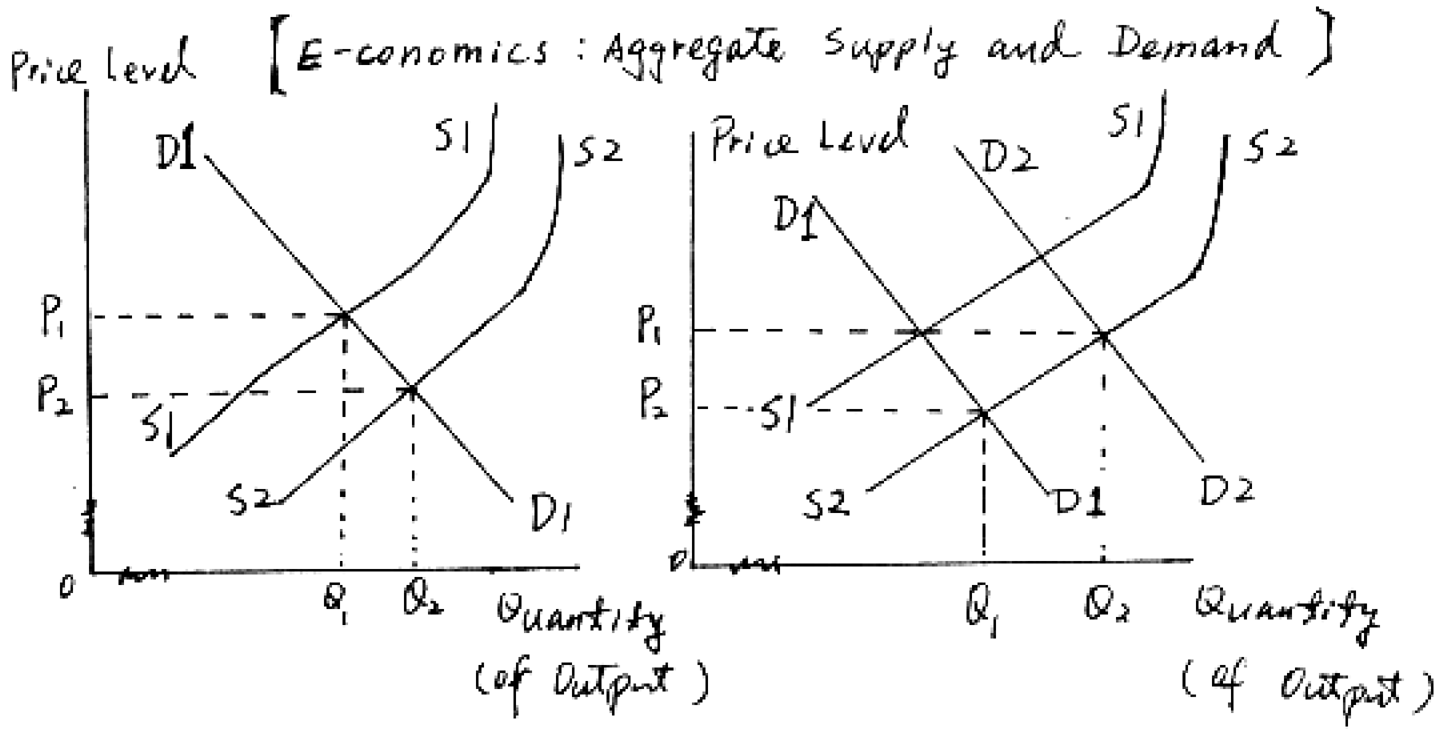
The best way to look at this notion is to use a standard economic model of demand and supply (see left-hand chart). The economy is in equilibrium at the point where the aggregate demand curve D1 and the aggregate supply curve S1 intersect, at price P1 and real output Q1. The Internet pushes the aggregate supply curve (an economy's productive potential) to the right, to S2. There is nothing new about this: innovations such as railways or electricity have always been the main source of long-term growth. If the demand curve remains fixed (an assumption we re-examine later), the price level falls to P2 and output rises to Q2.

The biggest economic impact of the Internet is likely to come from business-to-business (B2B) e-commerce. B2B e-commerce cuts companies' costs in three ways. First, it reduces procurement costs, making it easier to find the cheapest supplier and cutting the cost of processing transactions. Second, it allows better supply-chain management. And third, it makes possible tighter inventory control, so that firms can reduce their stocks or even eliminate them. Through these three channels B2B e-commerce reduces firms' production costs, by increasing efficiency or by squeezing suppliers' profit margins. In the economic jargon, the economy's aggregate supply curve shifts to the right.

What does all this mean for inflation and growth? As lower costs encourage firms to produce more at any given price (i.e., the supply curve shifts from S1 to S2 in the chart), the long-term equilibrium level of output will rise and the price level will fall. But note that it is the level of prices and not the level of inflation that falls. To the extent that this happens gradually over a period, inflation may be reduced, but only until prices reach their new, lower equilibrium level.

So far we have argued that the Internet may push down inflation in the short run, and

(背面仍有題目,請繼續作答)



that in the longer run it will boost growth. However, this assumes that the Internet affects only aggregate supply. In reality, it could also boost demand. If equity investors expect faster growth in output and profits and so push up share prices, this will boost households' wealth and encourage them to spend more, even before the increase in supply has materialized. Higher share prices, and hence a cheaper cost of capital, may also boost investment. As a result, the demand curve may shift to the right, to D2 (see right-hand chart).

This may describe the situation in America today. Alan Greenspan, the Federal Reserve chairmân, recently argued that an increase in productivity growth could indeed boost demand via share prices. The risk is that, if this increase in demand outstrips the productivity-led boost to supply, the equilibrium price level, and so inflationary pressure, could rise in the short term, not fall. There is nothing new about this: innovations such as railways or electricity have always been the main source of long-term growth. If the demand curve remains fixed (an assumption we re-examine later), the price level falls to P2 and output rises to Q2.

Q3: Why will the aggregate supply curve S1 shift to the right (to S2)? What's the results meant for the consumer and the economy. Explain in detail. (10 points)

Q4: Why will the aggregate demand curve D1 shift to the right (to D2) after S1 shifted to S2? What's the results meant for the consumer and the economy. Explain in detail. (10 points)