

單選題，1 至 20 每題 2 分，21 至 40 每題 3 分

1. During the next hour John can play basketball, watch television, or read a book. The opportunity cost of reading a book
  - a. is how much the book cost when it was purchased.
  - b. is the value of playing basketball if John prefers that to watching television.
  - c. is the value of playing basketball and the value of watching television.
  - d. equals how much John enjoys the book.
  
2. On a graph of  $x$  and  $y$ , the ceteris paribus condition implies
  - a. other variables are unrelated to  $x$  and  $y$ .
  - b. the value of  $x$  is held constant.
  - c. the value of  $y$  is held constant.
  - d. other variables not shown are held constant.
  
3. The slope of a production possibility frontier that displays increasing opportunity cost is
  - a. positive and constant.
  - b. negative and constant.
  - c. steeper near the horizontal intercept than near the vertical intercept.
  - d. steeper near the vertical intercept than near the horizontal intercept.
  
4. An increase in the price of any one of the by-products of a production process for a good
  - a. decrease the supply of the other by-products.
  - b. increases the demand for other by-products.
  - c. increases the supply of the other by-products.
  - d. does not affect the supply of other by-products.
  
5. If the supply curve intersects a straight-line downward-sloping demand curve at the mid-point of the demand curve, total sales revenue will
  - a. rise if the supply curve shifts left and also rise if the supply curve shifts right.
  - b. rise if the supply curve shifts left but fall if the supply curve shifts right.
  - c. fall if the supply curve shifts left but rise if the supply curve shifts right.
  - d. fall if the supply curve shifts left and also fall if the supply curve shifts right.
  
6. Revenues from the sale of a good will increase if
  - a. income increases and the good is inferior.
  - b. the price rises and demand is elastic.

(背面仍有題目,請繼續作答)

- c. the price rises and demand is inelastic.  
d. income falls and the good is normal.
7. The purpose of advertising for Coca-Cola is to
- increase the cross elasticity of demand between Coke and Pepsi and thus increase the elasticity of demand for Coke.
  - increase the cross elasticity of demand between Coke and Pepsi and thus decrease the elasticity of demand for Coke.
  - decrease the cross elasticity of demand between Coke and Pepsi and thus increase the elasticity of demand for Coke.
  - decrease the cross elasticity of demand between Coke and Pepsi and thus decrease the elasticity of demand for Coke.
8. Which group is hurt most by a minimum wage law:
- High-wage, highly skilled workers
  - Older workers across wage levels
  - Low-wage, unskilled workers
  - Middle-aged workers across wage levels
9. The effect of speculators on a market is to make
- the demand curve more elastic.
  - the supply curve more inelastic.
  - the demand and supply curves more elastic.
  - demand more inelastic and supply more elastic.
10. Diminishing marginal utility means that
- Ralph will enjoy his second hamburger less than the first.
  - the utility from one hamburger exceeds the utility from two hamburgers.
  - the price of two hamburgers is less than twice the price of one.
  - beyond a certain point, total utility falls as income rises.
11. After President Ronald Reagan's love for jelly beans was noted by the press, jelly bean sales rose rapidly. This change
- shows how preferences depend on prices and income.
  - shows how preferences are stable over time.
  - shows how preferences can change rapidly with social trends.
  - is a violation of the fundamental assumption of preferences.

12. Which of following statements is NOT true?
- If the indifference curve is steep, the marginal rate of substitution is high.
  - A low marginal rate of substitution implies a flat indifference curve.
  - A flat indifference curve implies that a consumer must receive a large amount of good X to compensate for a small decrease in good Y.
  - A high rate of marginal substitution implies that a consumer must receive a large amount of good X to compensate for a small decrease in good Y.
13. The demand curve is derived from the
- income effect, holding prices constant.
  - price effect of one good, holding income and other prices constant.
  - price effect of two goods, holding only income constant.
  - substitution effect from a change in income.
14. A technological advance will shift i). TP,AP, and MP curves up; ii)TP,AP, and MP curves down; iii)TC,ATC, and MC curves up; iv)TC,ATC, and MC curves down.
- i) and iii) are true.
  - i) and iv) are true.
  - ii) and iii) are true.
  - ii) and iv) are true.
15. Jenia's strawberry farm produces for a perfectly competitive market. The farm's total revenue curve is drawn on a diagram with total revenue on the vertical axis and bushels of strawberries on the horizontal axis. An increase in the price of strawberries will
- shift the vertical intercept of the total revenue curve up.
  - make the total revenue curve steeper.
  - shift the horizontal intercept of the total revenue curve to the right.
  - make the total revenue curve flatter.
16. In a perfectly competitive industry, the market price is \$10. An individual firm is producing the output at which  $MC=ATC=\$15$ . At that output,  $AVC$  is \$10. What should the firm do to maximize its short-run profits?
- shut down
  - Expand output
  - Contract output
  - Leave output unchanged

(背面仍有題目,請繼續作答)

17. If a price discriminating monopoly charges a lower price to students, it is likely that the firm
- believes that student demand is relatively elastic.
  - believes that student demand is relatively inelastic.
  - wants to shift student demand.
  - is primarily concerned about the well-being of students.
18. The kinked demand curve theory of oligopoly predicts that
- price and quantity will be sensitive to small cost changes.
  - price and quantity will be insensitive to small cost changes.
  - price will be sensitive to small cost changes but quantity will not.
  - quantity will be sensitive to small cost changes but price will not.
19. The prisoners' dilemma has a dominant strategy equilibrium, which is
- a kind of Nash equilibrium and all players lose.
  - not a Nash equilibrium and all players lose.
  - a kind of Nash equilibrium and all players win.
  - not a Nash equilibrium and all players win.
20. Other things remaining the same, if education costs rise substantially we would expect to see
- a decrease in the marginal revenue product of skilled workers.
  - a decrease in the supply of unskilled workers.
  - an increase in the wage received by skilled workers.
  - an increase in the number of skilled workers employed.
21. Cruise is indifferent between option A, which gives him \$10,000 for sure, and option B, which gives him \$5,000 with probability 0.6 or \$15,000 with probability 0.4 Cruise
- is risk averse.
  - is risk neutral.
  - is risk loving.
  - knows he faces uncertainty but not risk.
22. Free riding
- is possible if the consumption of a good is characterized by excludability.
  - is possible if the consumption of a good is characterized by nonexcludability.
  - is characteristic of private goods.

- d. occurs when consumers pay too much for services provided by government.
23. If the rate of inflation is lower than anticipated
- lenders will gain at the expense of borrowers and workers will gain at the expense of employers.
  - borrowers will gain at the expense of lenders and workers will gain at the expense of employers.
  - lenders will gain at the expense of borrowers and employers will gain at the expense of workers.
  - borrowers will gain at the expense of lenders and employers will gain at the expense of workers.
24. You marry your housekeepers and no longer pay for such services. As a result, GDP
- stays the same.
  - falls.
  - rises.
  - stays the same but GNP falls.
25. The mid-1970s were characterized by
- increases in aggregate demand and large decreases in short-run aggregate supply.
  - increases in both aggregate demand and long-run aggregate supply.
  - decreases in aggregate demand and short-run aggregate supply.
  - increases in long-run aggregate supply.
26. Which of the following statements is FALSE?
- Marginal propensity to save and marginal propensity to consume are both positive and less than 1.
  - Average propensity to consume falls as disposable income rises.
  - Average propensity to save rises as disposable income rises.
  - Marginal propensity to consume is negative below the level of disposable income that equals consumption.
27. The balanced budget multiplier is always
- less than zero because of the effect of taxes.
  - positive and less than 1.0 because of the MPC
  - is always equal to 1 because of taxes.
  - is always greater than 1 because of government purchases.

(背面仍有題目,請繼續作答)

28. Due to automatic stabilizers, when income rises
- government expenditures fall and tax revenues rise.
  - government expenditures rise and tax revenues fall.
  - government expenditures equal tax revenues.
  - the economy will automatically go to full employment.
29. If Harry transfers \$1,000 out of his savings account and places it in his checking account, instantly
- M1 and M2 fall.
  - M1 falls and M2 rises.
  - M1 falls and M3 rises.
  - M1 rises and M2 remains the same.
30. A customer deposits \$500 in the Quayle Bank of San Diego. All banks have a reserve ratio of 20 percent. The new money created after this new deposit has worked its way through the banking system sums to
- \$400.
  - \$1,500.
  - \$1,600.
  - \$2,000.
31. If a large number of people attempt to buy bonds,
- bond prices will rise and the interest rate will rise.
  - bond prices will fall and the interest rate will fall.
  - bond prices will rise and the interest rate will fall.
  - bond prices will fall and the interest rate will rise.
32. All of the following would affect the size of the monetary base EXCEPT when
- a bank exchange government securities for a deposit at the Fed.
  - a bank exchanges vault cash for a deposit at the Fed.
  - the Fed buys government securities from a bank.
  - the Fed buys government securities from a securities broker.
33. The less sensitive investment is to interest rates or the more sensitive the quantity of money demanded is to interest rates, the
- smaller is the effect of either a change in government purchases or a change in the money supply on equilibrium expenditure.
  - smaller is the effect of a change in government purchases and the larger is the effect of a

- change in the money supply on equilibrium expenditure.
- c. larger is the effect of a change in government purchases and the smaller is the effect of a change in the money supply on equilibrium expenditure.
- d. larger is the effect of either a change in government purchases or a change in the money supply on equilibrium expenditure.
34. If an economy is in a liquidity trap, then
- a. a change in the interest rate will have no effect on investment.
- b. a change in investment will have no effect on aggregate planned expenditure.
- c. open market operations will not shift the supply curve of real money.
- d. an increase in the supply of real money will have no effect on the interest rate.
35. If the income effect outweighs the substitution effect, then
- a. more hours of labor will be supplied as the real income wage rises.
- b. less hours of labor will be supplied as the real wage rises.
- c. the hours of labor supplied will be independent of the real wage.
- d. leisure will have a lower value than wage income.
36. If inflation forecasts turn out to be too high, then
- a. both borrowers and lenders will wish that the volume of loans had been higher.
- b. borrowers will wish they had borrowed more and lenders will wish they had lent less.
- c. borrowers will wish they had borrowed less and lenders will wish they had lent more.
- d. both borrowers and lenders will wish that the volume of loans had been lower.
37. The current year's price level is 180 and the rate of inflation over the past year has been 20 percent. What was last year's price level?
- a. 144.
- b. 150.
- c. 160.
- d. 216.
38. The result of a negative supply shock is
- a. inflation and growth.
- b. deflation and recession.
- c. inflation and recession.
- d. deflation and growth.

(背面仍有題目,請繼續作答)

39. Crowding out is the tendency for

- a. the per capita benefits of government purchases to decrease as a result of population growth.
- b. the benefits of government transfer payments to reduce the amount of public capital investments.
- c. unproductive government debt to drive productive capital out of investment markets.
- d. the return on private capital investments to exceed that on potential public capital investments.

40. If country A has an absolute advantage in the production of everything,

- a. no trade will take place because country A will have a comparative advantage in everything.
- b. no trade will take place because no country will have a comparative advantage in anything.
- c. trade will probably take place and all countries will gain.
- d. trade will probably take place but country A will not gain.