

系所組別： 財務金融研究所

考試科目： 經濟學

考試日期： 0225，節次： 1

1. Multiple Choice Questions (45%)**(1) Opportunity costs for a firm:**

- A. Include the implicit costs of financial capital and human capital tied up in the firm.
- B. Do not involve a direct cash outflow.
- C. Represent the implicit costs of foregone opportunities.
- D. All of the above.

(2) As output increases, average variable cost for a firm normally:

- A. Declines for any increase in output
- B. Declines at first, but at some point begins to go up.
- C. Increases at first, but at some point begins to go down.
- D. None of the above.

(3) A competitive firm will tend to expand its output so long as:

- A. Marginal revenue is positive.
- B. Marginal revenue is greater than the average cost.
- C. Marginal cost is less than average cost.
- D. Marginal revenue is greater than marginal cost.

(4) Which of the following statements about economic and accounting profits are true?

- (i) Economic profit is the difference between the firm's total revenues and total costs.
 - (ii) Zero economic profit implies that the firm is about to go out of business.
 - (iii) Accounting profit of a firm is generally smaller than the firm's economic profit.
 - (iv) A low rate of accounting profit implies economic losses.
- A. (i) and (iii) only.
 - B. (i) and (iv) only.
 - C. (ii) and (iii) only.
 - D. (ii) and (iv) only.

(5) The law of diminishing marginal utility states that the:

- A. Marginal return derived from making successive units of investment eventually declines.
- B. Additional satisfaction derived from consuming successive units of a product eventually declines.
- C. Additional satisfaction derived from consuming successive units of a product is limited by the amount of disposable income.

(背面仍有題目,請繼續作答)

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- D. Additional satisfaction derived from consuming successive units of a product can be increased by reducing the product price.
- (6) Which of the following factors would not cause the demand curve for a given product to shift?
- A. Changes in price.
 - B. Changes in income.
 - C. Changes in the distribution of income.
 - D. Changes in the price of a related good.
- (7) A price-taker firm faces a _____ demand curve, with a marginal revenue _____ price.
- A. Downward sloping; Equal to
 - B. Downward sloping; Less than
 - C. Flat; Equal to
 - D. Flat; Less than
- (8) In which two of the following market structures is nonprice competition typically most important?
- (i) Monopolistic Competition
 - (ii) Monopoly
 - (iii) Oligopoly
 - (iv) Pure Competition
- A. (i) and (ii) only.
 - B. (i) and (iii) only.
 - C. (ii) and (iii) only.
 - D. (ii) and (iv) only.
- (9) Which one of the following is least likely to explain why government regulation is usually a sub-optimal response to monopoly makers?
- A. Regulatory agencies often reflect the views of special interests.
 - B. Owners of regulated companies can lack the incentive to operate at a low cost.
 - C. Regulatory agencies may lack information about the true costs and profits of companies.
 - D. Regulatory agencies can typically enforce marginal cost pricing but not average cost pricing.
- (10) An oligopolistic firm:
- A. Will consider the potential response of its rivals when making business decisions.
 - B. Is likely to be formed when barriers to entry are few.

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C. Is unable to make an economic profit.

D. None of the above.

(11) Factors that tend to limit collusion among the firms in an industry are a _____ number of firms, _____ of monitoring the other firms, and _____ demand.

A. Large; Ease; Stable

B. Large; Ease; Unstable

C. Large; Difficulty; Unstable

D. Small; Difficulty; Stable

(12) Which of the following are likely benefits of monopolistic competition over pure competition?

(i) Lower prices to consumers.

(ii) Wider range of goods and services.

(iii) Advertising that supplies information to consumers.

A. (i) only

B. (ii) only

C. (i) and (ii) only

D. (ii) and (iii) only

(13) The price elasticity of demand for a commodity is determined primarily by the:

A. Incomes of consumers.

B. Size of consumer surplus.

C. Availability of substitutes for the good.

D. Availability of complementary goods.

(14) Price searcher firm can gain by charging _____ prices to groups with a more inelastic demand and _____ prices to groups with a more elastic demand.

A. Higher; Higher

B. Higher; Lower

C. Lower; Higher

D. Lower; Lower

(15) Price discrimination by a price searcher firm generally leads to _____ profits, along with _____ revenues and output.

A. Greater; Greater

(背面仍有題目,請繼續作答)

- B. Greater; Less
- C. Less; Greater
- D. Less; Less

2. Short-answer and Essay Questions

The following questions must be answered in English. In addition, your statements must be clear and complete. Make assumptions and examples if necessary.

- (1) Please apply the rationale of optimization which you learn from Microeconomics to explain the logic of capital budgeting in finance. (15%)
- (2) The following paragraphs are abstracted from "EDITORIAL: Solutions, not slogans, are needed", Taipei Times, September 3rd, 2010. Please carefully read the following content and analyze why this activity raised by Ministry of the Interior is criticized. (Hint: You can make your explanation by applying a basic advertising effect model which you have to carefully construct.) (20%)

Repeat after me: "Children are our most precious treasures." Did it feel good? Repeat another three times, and I'm sure you'll feel an impulse to have a baby. This is, after all, the slogan that won the NT\$1 million (US\$31,231) award in the Ministry of the Interior's competition for a slogan to encourage population growth, so how could it not have that effect?

An aging population and decreasing birth rates are general trends in developed societies, and Taiwan is no exception. Given that Taiwan's birth rate is now the world's lowest, how serious is the problem? According to the Ministry of Education, the number of new first-grade students will drop by 15,000 this year, eliminating 500 classes around the nation. This number is expected to increase by another 2,000 students annually.

To solve this situation, the Ministry of the Interior, the ministry responsible for population policies, organized an online competition with a NT\$1 million award for the person who came up with the best slogan to promote child birth. Despite strong criticism, the ministry could not be stopped. Now the slogan is upon us, so reciting it aloud or quietly repeating it to yourself will surely

make you want to have a baby. However, even if our young men and women really were excited by the slogan, the hard facts of reality would pour cold water on their desire. The fact is that even the woman who wrote the slogan says that after having thought the issue over a hundred times, she would not dare have a child.

- (3) On September 17, 2011, the first protest of "Occupy" ("Occupy Wall Street") started from New York City, United States, and became a worldwide activity. It seems that some related macroeconomic issues can be found from the protest. What do you think about these issues? Please make your comments clearly by writing **a short essay**. (20%)