

本試題是否可以使用計算機： 可使用， 不可使用（請命題老師勾選）

I. True or False (30 points, 3 pts each)

1. "Automatic stabilizers" are built-in fiscal mechanism which ensures a government surplus during economic booms and deficits in an economic recession.
2. According to neoclassical growth theory, an increase in the savings rate will increase the level and the growth rate of per capita GDP in the long run.
3. Currently, the domestic country increases the interest rate and the forward foreign exchange rate (assumed price quotation) will increase according to the covered interest rate parity.
4. According to the law of comparative advantage, if Country A subsidizes its computer industry and enable its computer producers undersell Country B computers, then Country B should import Country A computers and specialize in production of other goods.
5. According to adaptive expectation theory, individuals tend to overestimate the future interest rate when the interest rate is increasing.
6. The nominal interest rate was 7 percent and the expected inflation rate was 5 percent. For the current year, the nominal interest rate is 8 percent and the expected inflation rate is 6%. Then we could say the real interest rate in the current year increases.
7. Monetarists believe that the best monetary policy is to implement a steady money growth policy instead of a discretionary money policy.
8. The endogenous growth theory assumes the diminishing marginal product of capital and predicts the positive correlation between savings and growth.
9. According to the supply-side view of fiscal policy, the impact of increasing personal exemption allowance on the aggregate supply has the same effect as the reducing marginal tax.
10. According to the rational expectation theory, the countercyclical fiscal policy is ineffective because people will undermine the policy by adjusting their behavior.

(背面仍有題目,請繼續作答)

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II. Choose the BEST answer (40 points, 4 pts each)

1. Which of the following statements regarding economic and accounting profits are **false**?
 - I. Accounting profit of a firm is always greater than or equal to the economic profit of a firm.
 - II. Zero accounting profit means that the firm is in a loss and may leave the business.
 - III. Zero economic profit means that the firm is in a loss and may leave the business.
 - IV. Economic profit is computed from the income statement of a company.

(A) III and IV only.
(B) I and IV only.
(C) I and II only.
(D) I, II, and IV only.
2. Ariel bought 20 loaves of bread last month when her income was \$20,000 but bought 30 loaves of bread this month when her income was increased to \$30,000. All else constant, Ariel's income elasticity of demand for bread is:

(A) positive and Ariel considers bread to be an inferior good.
(B) positive and Ariel considers bread to be a normal good.
(C) negative and Ariel considers bread to be a normal good.
(D) Negative and Ariel considers bread to be an inferior good.
3. Under the profit-maximizing principle, the firm should take which of following steps if it finds that its marginal revenue is less than its marginal cost:

(A) decrease output if it is a price taker but do not change the output if it is a price searcher.
(B) increase output regardless of whether it is a price taker or a price searcher.
(C) decrease output regardless of whether it is a price taker or a price searcher.
(D) increase output if it is a price searcher but do not change the output if it is a price taker.
4. Dobson used to work as a research assistant and made \$30,000 a year. He quit and started his own company. He invested \$50,000 of his savings with one percent interest and borrowed another \$50,000 from his friend who charged him with one percent interest. Meanwhile, he also spent \$30,000 on equipment and received revenue of \$70,000. He asked an accountant and an economist to compute his profit for him.

(A) accountant says his loss is \$60,000 while economist says his loss is \$90,000.
(B) accountant says his profit is \$39,000 while economist says his profit is \$39,000.
(C) accountant says his profit is \$40,000 while economist says his profit is \$39,500.
(D) accountant says his profit is \$39,500 while economist says his profit is \$9,000.

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科目：經濟學

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5. If a practiced worker produces triple as much as an apprentice per hour in a firm. Practiced workers earn \$60 per hour while apprentices earn \$20 per hour. Then the firm should
- (A) decrease both practiced workers and apprentices.
 - (B) keep the current condition.
 - (C) hire more practiced workers.
 - (D) hire more apprentices.
6. Assuming the quantity theory and Fisher effect are correct. The current nominal interest rate is 3 percent and inflation rate is 1.5 percent. And then
- (A) the money growth rate is 1.5 percent.
 - (B) the real interest rate is 4.5 percent.
 - (C) the money growth rate is 4.5 percent.
 - (D) the real interest rate is 1.5 percent.
7. If the demand for cellular phone increases and the demand for personal computers decreases. This makes cellular phone companies expand and causes personal computer companies to lay off workers. This is an example of
- (A) frictional unemployment due to a shift in demand.
 - (B) structural unemployment due to shift in demand.
 - (C) cyclical unemployment due to shift in demand.
 - (D) none of above.
8. If a central bank buys back \$20 million bonds in a fractional reserve banking system and keep everything constant. Then we will expect
- (A) reserves increases by \$20 million and the money supply increases less than \$20 million.
 - (B) reserves decrease by \$20 million and the money supply decreases by more than \$20 million.
 - (C) reserves increase by \$20 million and the money supply increases by more than \$20 million.
 - (D) reserves and the money supply increases by more than \$20 million.
9. The demand elasticity is higher for Market X than for Market Y. If the tax is imposed on these two markets. Then, the deadweight loss will be
- (A) larger for Market Y.
 - (B) larger for Market X.
 - (C) the same for both markets.
 - (D) none.
10. Under the neoclassical growth theory, the population growth is
- (A) affected by savings only.
 - (B) affected by technical progress.
 - (C) affected by savings and investments.
 - (D) exogenous and not affected by other factors.

(背面仍有題目,請繼續作答)

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III. Essay Questions (30 points)

1. Assuming that there is public interest in insuring that all persons receive a minimum amount of education. Given that many indigent families would spend little or no resources on their children's education if they are to finance the cost of education themselves. There are two ways proposed for the government to help those families. (15 pts)
 - Providing lump sum money payments to families in amounts sufficient to purchase the minimal requirements per child.
 - Providing a non-transferable voucher to each child in a family entitling him/her to receive the minimum educational benefits free of charge.
 - a. Which of the two methods of public support of education would be more effective in insuring the minimum requirement of education?
 - b. Which of the two methods would generate a larger increase in the family's welfare?
2. Please answer the following questions about a monopoly. (15 pts)
 - a. How is demand elasticity related to marginal revenue? (Please derive the relations from the profit function in terms of price and quantity)
 - b. Can you prove that marginal revenue is usually less than price when the monopolist maximizes the profits?
 - c. Why will a monopolist's profit-maximizing rate of output always be in the region of elastic demand?