

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）

Multiple Choice (Choose *the best answer* for each question, 3 points each)

On your answer sheet, please arrange your answers, according to the following format (請將答案務必依照下列格式，作答於答案卷上):

1. ()	6. ()	11. ()	16. ()
2. ()	7. ()	12. ()	17. ()
3. ()	8. ()	13. ()	18. ()
4. ()	9. ()	14. ()	19. ()
5. ()	10. ()	15. ()	20. ()

- A monopolist in the radio industry has two radio-making plants. The marginal cost of radio production by the plant A is $\$4Q$ (where Q is the number of radios produced) and the marginal cost of radio plant B is always $\$16$. If the demand curve for radios is downward sloping.

 - the monopolists will never produce radios at plant A.
 - the monopolists will never produce more than four radios at plant A.
 - the monopolists will always produce four times as many radios at plant B as at plant A.
 - the monopolists will produce radios at plant A only as last resort.
- You consider x and y to be perfect substitutes, they originally cost $\$10$ and $\$9$ respectively. Your income was $\$720$. The price of x drops to $\$8$, which of the following is true?

 - The income effect increases the quantity of y by 90.
 - The substitution effect increases the quantity of y by 80.
 - The substitution effect increases the quantity of x by 90.
 - The income effect increases the quantity of x by 80.
- Which of the following is **not** usually a characteristic of a perfectly competitive industry?

 - Existing firms cannot bar the entry of new firms.
 - Any individual firm can increase its production and sales without affecting the price of the good.
 - The market demand curve for the industry is highly elastic.
 - There is vigorous non-price competition.

(背面仍有題目,請繼續作答)

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4. If an oligopolist is going to change its price or output, its primary concern is:
- A. A change in its cost structure.
 - B. The response of its competitors.
 - C. The response of consumers.
 - D. The response of the Federal Trade Commission.
5. In an oligopoly with a collusive cartel agreement, when can one firm have the maximum possible profit?
- A. When all firms comply with the agreement.
 - B. When the one firm cheats on the cartel agreement and all the other firms do not cheat.
 - C. When all firms cheat on the agreement.
 - D. The answer is indeterminate because it depends on the firm's MR curve.
6. Which of the following statements are correct?
- (i) Crowded swimming pool is a private good.
 - (ii) National defense is a public good.
 - (iii) Cable TV is a quasi-public good.
 - (iv) Pizza is a quasi-public good.
- A. i, ii and iii are true.
 - B. ii and iv are true.
 - C. ii, iii and iv are true.
 - D. all of the above.
7. Suppose equilibrium $P=\$10$ and equilibrium $Q=40$ before a $\$2$ per unit tax is imposed on the producer. Which of the following could be true of the new equilibrium P and Q , assuming the demand curve is vertical and the supply curve slopes upward?
- A. $\$10 < P < \12 and $Q=40$.
 - B. $P=\$12$ and $Q=40$.
 - C. $\$10 < P < \12 and $Q < 40$.
 - D. $P=\$12$ and $Q < 40$.
8. A Lorenz curve which moves closer to a 45 degree straight line from the origin indicates:
- A. a more equal distribution of income.
 - B. the rich get richer and the poor get poorer.
 - C. increasing concentrations of poverty.
 - D. a more unequal distribution of income.

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9. If men have a comparative advantage in producing market goods and women have a comparative advantage in producing household works, then marriage could be viewed as an exchange of market goods for household productions. The gains from this exchange are shared between husband and wife. Now an increase in the paid wage of women relative to that of men in the job market will most likely to result in:
- A. increasing the fertility rate, since family income rises.
 - B. increasing the number of hours wives work in the market.
 - C. reducing the number of hours wives work in the market.
 - D. increasing of the divorce rate, since the potential gains from exchange reduced.
10. In an economy, the demand function for bread is $q=480-6p$ and the supply function is $q=120+3p$ where p is the price in pesos and q is loaves of bread. If the government made it illegal to sell bread for a price above 30 per loaf, to avoid shortages, the government agreed to pay producers of bread enough of a subsidy for each loaf of bread so as to make supply equal demand. How much would the subsidy per loaf have to be?
- A. 14 pesos
 - B. 20 pesos
 - C. 21 pesos
 - D. 30 pesos
11. Given the following statements:
- i. Monopolistically-competitive firms enjoy no economic profit in the long run.
 - ii. Excess capacity in monopolistically competition industries results because in the long-run equilibrium price equals average cost.
 - iii. A monopolistically competitive firm in the long run will produce at the amount that would minimize long run average cost.
- Which of the above statements are correct?
- A. i and iii are true.
 - B. i and ii are true.
 - C. ii and iii are true.
 - D. all of the above.
12. An upward shift the aggregate expenditures schedule occurs when
- A. households, firms and government decide to spend more at each level of income.
 - B. households, firms and government decide to spend less at each level of income.
 - C. households, firms and government decide to spend less at each price level.
 - D. households, firms and government decide to spend more at each price level.

(背面仍有題目,請繼續作答)

編號： 558 系所：政治經濟學研究所

科目：經濟學

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13. Assume that investment (I) and saving (S) are determined by the following equations: $I=50-r$; and $S=4*r$. If the economy is a small open economy and the international interest rate (r) is 8%, what is the current account of the country (according to the twin-deficit identity)?
- 10.
 - 10.
 - 40.
 - 40.
14. Which of the following statement is false?
- The larger the marginal propensity to save, other things constant, the steeper the consumption function.
 - Assume there are no taxes. Suppose that when income rises from \$5.2 million to \$6.0 million, consumption rises from \$5.0 million to \$5.6 million. The marginal propensity to save is 0.25.
 - When the price level decreases, other things constant, people consume more because the real value of their wealth increases.
 - Increases in the marginal propensity to consume, other things constant, increase the value for the multiplier.
15. In a closed economy which of the following events will decrease the equilibrium real interest rate?
- The government increases its purchase which is financed by tax increase.
 - A large number of oil deposits are discovered, which increases the expected future marginal product of oil rigs and pipelines. It also increases expected future economy.
 - Consumers become more optimistic about future economy.
 - The government decides to increase the tax rate on corporate profits.
16. The paradox of thrift implies that
- increased saving allows greater capital formation and faster economic growth.
 - increased saving reduces both aggregate demand and current economic growth.
 - reducing the cyclically-adjusted budget deficit is an appropriate policy to stimulate the economy.
 - individuals lack adequate incentives to save.

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17. Which of the following statements most accurately reflects the views of those who advocate an active approach to governmental economic policy?
- A. The private sector is relatively unstable but government policy can't do anything about economic problems when they arise.
 - B. Sometimes the economy is stable and sometimes not, but either way the best policy for government is to do nothing.
 - C. The private sector is relatively unstable and when there are economic problems, the government should intervene to get the economy back on track.
 - D. Careful use of government economic policy can reshape the economy so as to create permanent economic stability and constant full employment.
18. If an economy moves from a steady state with positive population growth to a zero population growth rate, then:
- A. in the new steady state, both total output growth and output growth per person will be lower than before.
 - B. in the new steady state, total output growth will be lower, but output growth per person will be the same as before.
 - C. in the new steady state, total output growth will be lower, but output growth per person will be the faster than before.
 - D. in the transition, both growth in total output and growth in output per person will fall.
19. Which of the following statements is true?
- A. An unanticipated increase in the inflation rate benefits borrowers.
 - B. Rational expectation hypothesis assumes people won't make mistakes.
 - C. The Lucas critique is an objection to the assumption that people have rational expectations.
 - D. Ricardian equivalence concludes that government purchases of goods and services are equivalent to private purchase of goods and services.
20. Which of following statements related to the neoclassical and endogenous growth model is NOT true?
- A. The neoclassical growth model cannot explain the technological progress endogenously.
 - B. The production function in the neoclassical growth model exhibits constant productivity of capital, while the endogenous growth has diminishing productivity of capital.
 - C. The neoclassical growth model predicts that poor countries grow faster than rich countries.
 - D. In the neoclassical growth, the capital is defined narrowly to include only machines and building, while the endogenous growth model has a broader view of capital.

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Part II: Essay Question (40 points)

1. Suppose that two Japanese companies, Hitachi and Toshiba, are the sole producers (i.e., duopolists) of a microprocessor chip used in a number of different brands of personal computers. Assume that total demand for the chips is fixed and that each firm charges the same price for the chips. Each firm's market share and profits are a function of the magnitude of the promotional campaign used to promote its version of the chip. Also assume that only two strategies are available to each firm—a limited promotional campaign (budget) and an extensive promotional campaign (budget). If the two firms engage in a limited promotional campaign, each firm will earn a quarterly profit of \$7.5 million. If the two firms undertake an extensive promotional campaign, each firm will earn a quarterly profit of \$5.0 million. With this strategy combination, market share and total sales will be the same as for a limited promotional campaign, but promotional costs will be higher and hence profits will be lower. If either firm engages in a limited promotional campaign, then the firm that adopts the extensive campaign will increase its market share and earn a profit of \$9.0 million, whereas the firm that chooses the limited campaign will earn a profit of only \$4.0million. (12 points)
 - (1). Develop a payoff matrix for this decision-making problem.
 - (2). In the absence of a binding and enforceable agreement, determine the dominant advertising strategy and minimum payoff, respectively, for Hitachi and Toshiba.
2. Use IS-LM and AD-AS analyses to analyze the influences on interest rates, price and output levels for the following cases (Both graphs are required): (12 points)
 - (1) Central bank purchases bonds in an open market.
 - (2) A government budget cut.
3. Assume there are **three** identical consumers in the society, and each one for the good X has the demand function: $X^d = 10 - P_X$ (16 points)
 - (1) If the good X is a private good and its marginal cost is \$5 per unit, what is the optimal quantity and price for the whole society?
 - (2) If the good X is a public good and its marginal cost is \$5 per unit, what is the optimal quantity and price for the whole society?

(Illustrate each of your answer with a diagram.)