

系所組別： 政治經濟學研究所

考試科目： 經濟學

考試日期： 0308，節次： 2

※ 考生請注意：本試題  可  不可 使用計算機 (請勿在本試題紙上作答，否則不予計分)

**Part I: Multiple Choice (60%, 3% each)**

There are 20 questions in total within this part. Please answer in the following format on your answer sheet.

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

- As the price of laptop computers goes down,
  - the supply for desktop computers will shift to the right.
  - the demand for desktop computers will shift to the left.
  - the quantity demanded for laptop computers will go down.
  - the demand for laptop computers will shift to the right.
- Suppose it takes Adam 2 hours to get 1 fish, and 1 hour to get 1 coconut. Meanwhile, it takes Eric 3 hours to get 1 fish, and 2 hours to get 1 coconut. Both can work 8 hours a day. Then
  - Adam has a comparative advantage in fish production.
  - Eric has an absolute advantage in coconut production.
  - Eric has an absolute advantage in fish production.
  - Adam's opportunity costs of 1 coconut are 0.5 fish.
- The point elasticity on a linear demand will \_\_\_\_\_ as the price moves down along the demand curve.
  - increase
  - decrease
  - either increase or decrease
  - remain the same
- The monopolist
  - produces at the output level where the demand is either elastic or inelastic.
  - charges a price that is higher than its marginal revenue.
  - faces a horizontal demand.
  - produces at an efficient level of output.
- About the price floor, which of the following statements is true?
  - It may cause a surplus in the market.
  - Minimum wage is one of the examples.
  - It will be effective only if it's above the equilibrium price.
  - All of the above.

**(Questions continue on the following pages!)**

(背面仍有題目,請繼續作答)

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6. Suppose both the demand and supply for cigarettes are neither perfect elastic nor perfect inelastic. When a new tax of \$10 per pack is imposed on cigarettes,
- (a) consumers will bear more tax if the demand is less elastic.
  - (b) consumers will smoke more because they are suffering.
  - (c) it will not cause a deadweight loss.
  - (d) the price for cigarettes per pack will increase for exactly \$10.
7. Brett spends exactly all his money if he purchases the consumption bundle  $(x, y) = (10, 5)$  where  $x$  is the amount consumed for good X, and  $y$  is the amount consumed for good Y. Assume his marginal utility at  $(10, 5)$  is equal to 4 for good X, and 2 for good Y. The prices of the products,  $(P_x, P_y)$ , are  $(\$5, \$2)$ .
- (a) Brett would be willing to give up 1 unit of X in exchange for 2 units of Y.
  - (b) Brett has a budget equal to \$24.
  - (c) Every dollar that Brett spends on X brings him higher utility than on Y.
  - (d) Brett's utility can be increased without spending more money if he gives up some Y in exchange for some X.
8. Two families, A and B, are considering putting up some street lights in their neighborhood. A is willing to pay \$200 for the 1<sup>st</sup> street light, \$150 for the 2<sup>nd</sup>, \$100 for the 3<sup>rd</sup>, and \$50 for the 4<sup>th</sup> one. B is willing to pay \$120 for the 1<sup>st</sup> street light, \$90 for the 2<sup>nd</sup>, \$60 for the 3<sup>rd</sup>, and \$30 for the 4<sup>th</sup> one. If every street light costs \$85,
- (a) the efficient allocation is to put up 2 lights.
  - (b) the efficient allocation is to put up 3 lights.
  - (c) the efficient allocation is to put up 4 lights.
  - (d) the efficient allocation is to put up 5 lights.
9. Which of the following statements about the perfect competition is false?
- (a) The competitive firm will make zero profit in the short run.
  - (b) The competitive firm sets its optimal output at the level where  $P=MC$ .
  - (c) The competitive firm cannot sell any output if its price is higher than the market price.
  - (d) The competitive firm will shut down if  $P < AVC$  at its optimal level of output.
10. Suppose the number of pounds of corns,  $Q$ , a competitive firm can produce is given by  $Q=100\sqrt{L}$ , where  $L$  is number of farmers the firm hires. If the market price for corns is \$50 per pound and each farmer costs \$500, the firm should hire \_\_\_\_\_ farmers in order to maximize its profit.
- (a) 500
  - (b) 250
  - (c) 100
  - (d) 25

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11. Since air pollution creates a negative externality,
- (a) social welfare will be enhanced when some, but not all air pollution is eliminated.
  - (b) social welfare is optimal when all air pollution is eliminated.
  - (c) governments should encourage private firms to consider only private costs.
  - (d) the free market result maximizes social welfare.
12. A higher Gini coefficient suggests
- (a) a Lorenz curve closer to the 45 degree line.
  - (b) a greater inequality in income distribution.
  - (c) a higher possibility of recession.
  - (d) a lower unemployment rate.
13. An expansionary monetary policy
- (a) refers to an expansion of the government's budget.
  - (b) refers to a reduction of the tax.
  - (c) may be accomplished by an increase in the discount rate.
  - (d) may involve an open market purchase of government bonds.
14. The liquidity trap
- (a) may happen when the interest rate is too high.
  - (b) may happen when the inflation is very high.
  - (c) usually comes along with a deflation.
  - (d) will make the monetary policies more useful.
15. If the planned investment is more sensitive to the interest rate, the crowding out effect will be
- (a) bigger.
  - (b) smaller.
  - (c) unaffected.
  - (d) either bigger or smaller.
16. An increase in the oil price
- (a) causes the aggregate demand to increase.
  - (b) causes the aggregate demand to decrease.
  - (c) causes the aggregate supply to increase.
  - (d) causes the aggregate supply to increase.
17. Which of the following may be caused by an increase in the overall technology?
- (a) An outward shift of the PPF.
  - (b) A rightward shift of the AS.
  - (c) An upward shift of the aggregate production function.
  - (d) All of above.

(背面仍有題目,請繼續作答)

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18. Ceteris paribus, as the price level increases, interest rates in the money market
- increase.
  - decrease.
  - stay the same.
  - may increase, decrease, or stay the same.
19. If interest rates are higher than what individuals consider normal, they will
- increase their transaction money demand.
  - increase their speculative money demand.
  - decrease their speculative money demand.
  - decrease their transaction money demand.
20. If a nation's interest rates are relatively low compared to those of other countries, then the exchange value of its currency will tend to
- depreciate under a system of fixed exchange rates.
  - appreciate under a system of fixed exchange rates.
  - depreciate under a system of floating exchange rates.
  - appreciate under a system of floating exchange rates.

**Part II: Essay Questions. (40%)**

1. A monopolist sells its products in two markets. The demands are  $Q_1=1200-15P_1$  in market 1 and  $Q_2=800-10P_2$  in market 2. Suppose its constant marginal cost is \$20. and there exists no possibility of resale between two markets. (20%)
- If the monopolist will price discriminate, find the prices it charges in these two markets. (10%)
  - If the monopolist is regulated so that it cannot price discriminate, find the price it will charge in both markets. (10%)
2. Suppose an economy can be summarized by the following system. (20%)
- $$C=1,000+0.75(Y-T)$$
- $$T=200+0.2Y$$
- $$I=600$$
- $$G=450$$
- $$X=300$$
- $$M=200$$
- Find the equilibrium  $Y$  of this economy. (10%)
  - If the government aims to increase its  $Y$  by 1,000 by changing its spending. Please suggest by how much and in which direction it should change. (5%)
  - Continue on (b) but suppose now the government can only change its tax rate. Please suggest how it should adjust its tax rate and to what level. (5%)