

系所組別： 經濟學系

考試科目： 總體經濟學

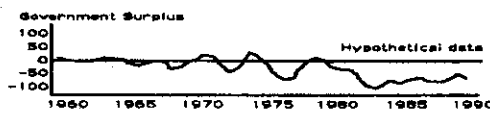
考試日期： 0308 節次： 3

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I Multiple Choice Questions (Choose the best answer)(60%)(請依所列模式答題

於答案卷)

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



- Assuming a closed economy with the data in Figure suggest that for each year after 1980 (A) private saving could have been either positive or negative. (B) private saving was negative. (C) private saving was positive. (D) private saving equaled zero.
- When stock prices fall significantly, $C = C_a + c(Y - T)$ people may feel less wealthy and thus decide to consume less of their current flow of disposable income. In our consumption function, this can be represented by a
 (A) fall in $(Y - T)$. (B) rise in T . (C) rise in c . (D) fall in C_a .
- "Crowding-out" occurs in the IS-LM model as rising government spending requires a _____ in the interest rate in order to _____ the demand for money at the new equilibrium, thus _____ planned private investment.
 (A) rise, keep constant, lowering (B) rise, raise, lowering (C) rise, lower, raising (D) fall, keep constant, raising (E) fall, raise, lowering
- A vertical IS curve comes from the assumption that changes in the interest rate do not affect (A) money demand. (B) autonomous planned spending. (C) the money supply. (D) the LM curve.
- Under the assumption of perfect capital mobility, a nation
 (A) can control its interest rate through either fiscal or monetary policy.
 (B) can control its interest rate only through fiscal policy.
 (C) can control its interest rate only through monetary policy.
 (D) cannot control its interest rate through either fiscal or monetary policy.

(背面仍有題目,請繼續作答)

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6. If autonomous spending does not respond to changes in the interest rate, the resulting _____ IS curve implies that an economy _____ self-correct.
- (A)vertical, can fail to
(B)vertical, will instantly
(C)horizontal, can fail to
(D)horizontal, will instantly
7. The existence of staggered overlapping wage contracts makes the assumption of backward-looking expectations _____ reasonable since wages and prices tend to adjust _____ to changes in nominal GDP.
- (A)less, gradually (B)less, quickly (C)more, gradually (D)more, quickly
8. Which of the following will cause slower growth in labor productivity?
- (A)decreased growth in physical capital
(B)decreased growth in human capital such as education and training
(C)decreased growth in government-financed infrastructure such as highways and airports
(D)A and C (E)all of the above
9. Under the European Monetary System, a country's export prices
- (A)decreased if the inflation rate in that country increased.
(B)could be controlled by loosening domestic monetary policy.
(C)became more competitive as long as that country accelerated its domestic inflation and kept its foreign exchange rate with the Euro stable.
(D)none of the above.
10. When Okun's "misery index" is used to judge macroeconomic conditions, inflation is being considered
- (A)not to be a macroeconomic problem at all.
(B)just as serious a macroeconomic problem as unemployment.
(C)a less serious macroeconomic problem than unemployment.
(D)a more serious macroeconomic problem than unemployment.
11. An economy's real GDP per person doubles every 18 years when it maintains a growth rate of _____ per year.
- (A)5.6 percent (B)4.0 percent (C)0.25 percent (D)0.9 percent

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12. The most surprising outcome of the Solow growth model is that
- (A) a higher rate of national saving does not lead to a permanently higher rate of output growth.
 - (B) the population growth rate has no effect on the standard of living.
 - (C) the capital-labor ratio has no effect on the output-labor ratio.
 - (D) a higher rate of depreciation lowers the capital-labor ratio, but not the output-labor ratio.
13. A country saves too little if
- (A) its rate of time preference is greater than the national rate of return on investment.
 - (B) its rate of time preference is less than the national rate of return on investment.
 - (C) its rate of investment is less than the real interest rate.
 - (D) its rate of investment is less than the nominal interest rate.
14. The Baumol model of money demand strengthens the possibility that the LM curve is
- (A) upward-sloping.
 - (B) horizontal.
 - (C) vertical.
 - (D) downward-sloping.
15. "Monetarism" advocates a monetary policy
- (A) that fixes a constant short-term interest rate.
 - (B) at the full discretion of setting the interest rates.
 - (C) at the full discretion of setting the money growth rates.
 - (D) that fixes the growth rate of money.
16. The permanent-income hypothesis and life-cycle hypothesis theories _____ the case for activism, while the procyclical behavior of consumer spending for durable goods _____ the case for activism.
- (A) do not support; supports
 - (B) supports; supports
 - (C) supports; does not support
 - (D) do not support; does not support
17. By the accelerator hypothesis, if a firm's actual sales jump in one period to a higher maintained level, that firm's replacement investment

(背面仍有題目,請繼續作答)

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- (A) also jumps in one period to a higher maintained level.
- (B) gradually drifts upward to a higher maintained level.
- (C) jumps upward and then falls back to zero.
- (D) jumps upward and then falls back part of the way.

18. Which of the following statements best describes the rational expectations hypothesis?

- (A) individuals will not enter into long-term agreements unless they are certain about the payments they will receive
- (B) it is likely that individuals will consistently make errors
- (C) individuals will make random errors, independent of previous errors
- (D) it is reasonable to expect individuals to consistently underestimate the level of inflation

19. The work of Robert Lucas and Thomas Sargent _____ the existence of a downward-sloping Phillips curve in the _____.

- (A) first proposed, short run
- (B) first proposed, short and long runs
- (C) cast further doubt on, long but not short run
- (D) cast further doubt on, short and long runs

20. Which of the following is NOT the cause of an adverse productivity shock to the labor market?

- (A) a decrease in the labor force
- (B) a decline in the quantity of non-labor factors of production
- (C) a drop in multifactor productivity
- (D) none of the above

II. Brief Answer Questions (答案若非整數，請以小數點後二位呈現答案，餘四捨五入。)

1. Suppose that the IS and LM curves for an economy are given by

$$IS: Y = 4X - 300r$$

$$LM: Y = 3(M^s / P) + 300r$$

Where M^s is initially 600 and $P=1$. Because of unstable commodity demand, X fluctuates between 900 and 1200.

- (a) What are equilibrium Y and r when X is 900?(6%)
- (b) Suppose that the Fed sets an interest rate target of 4 percent. Between what values will Y fluctuate? Compare this range of Y with the range of Y in part (a).(6%)

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(c) Suppose that the Fed is able to target real GDP itself and that Y^N is 3,000. Between what values will r fluctuate? Compare this range of r with the range of r in part (a)(9%)

2. Given the Friedman-Lucas short-run aggregate supply function:

$Y = Y^N + h(P - P^e)$ where $Y^N = 5,000$, $P^e = 1.5$ and $h = 2,500$, what would be the equilibrium real income if people accurately expected that the price level were 1.00? 1.50? 2.00?(6%)

3. The Laffer curve expresses tax revenue, T , as a function of the tax rate, t . The value of T clearly equals zero when t is 0 or 1. For at least one intermediate value of t , the value of T is positive. Hence, the Laffer curve must be an increasing function of t initially, and a decreasing values of t for higher value of T . Assume T is found by multiplying t and the tax base, T_B (taxable income):

The phenomenon of the Laffer curve arises because T_B is, by hypothesis, a decreasing function of the tax rate t . Assume:

$$T_B = 4,000 - 4,000t$$

(a) Let η_1 be the tax rate elasticity of tax revenue and η_2 be the tax rate elasticity of the tax base. Find η_1 in terms of η_2 .(5%)

(b) Given the values of $t = 0.25, 0.4, 0.5$, and 0.75 , describe over what range of t are tax revenues increasing in t ? (4%) declining in t ?(4%)