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請勿在本試題紙上作答，否則不予計分。單選題共 50 題，每題 2 分

1. For an individual who consumes only two goods,  $x$  and  $y$ , the opportunity cost of consuming one more unit of  $X$  in terms of how much  $Y$  must be given up is reflected by
  - (a) the individual's marginal rate of substitution.
  - (b) the market prices of  $x$  and  $y$ .
  - (c) the slope of the individual's indifference curve.
  - (d) none of the above.
  
2. If an individual is to maximize the utility received from consumption, he or she should spend all available income. . . ." This statement assumes
  - (a) that saving is impossible.
  - (b) that the individual is not satiated in all goods.
  - (c) that no goods are "inferior."
  - (d) both a and b above.
  
3. If the prices of all goods increase by the same proportion as income, the quantity demanded of good  $x$  will
  - (a) decrease.
  - (b) increase.
  - (c) remain unchanged.
  - (d) change in a way that cannot be determined from the information given.
  
4. If an individual buys only two goods and these must be used in a fixed relationship with one another (e.g., coffee and cream for a coffee drinker who never varies the amount of cream used in each cup), then
  - (a) there is no substitution effect from a change in the price of coffee.
  - (b) there is no income effect from a change in the price of coffee.
  - (c) Giffen's Paradox must occur if both coffee and cream are inferior goods.
  - (d) an increase in income will not affect cream purchases.

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5. Consider the two following statements:

- I.  $x$  is an inferior good.
- II.  $x$  exhibits Giffen's Paradox.

Which of the following is true?

- (a) I implies II, but II does not necessarily imply I.
- (b) II implies I, but I does not necessarily imply II.
- (c) I and II are statements of the same phenomenon.
- (d) I and II are statements that are unrelated.

6. Assume  $x$  and  $y$  are the only two goods a person consumes. If after a rise in the price of  $x$  the quantity demanded of  $y$  increases, one could say

- (a) the income effect dominates the substitution effect.
- (b) the substitution effect dominates the income effect.
- (c) it is still impossible to determine whether the substitution or income effect dominates.
- (d) none of the above.

7. If the compensated and Marshallian demand curves for a good intersect, at that point the Marshallian curve will be

- (a) flatter if this is a normal good.
- (b) steeper if this is a normal good.
- (c) flatter if this is an inferior good.
- (d) horizontal.

8. If a consumer purchases only two goods ( $x$  and  $y$ ) and the demand for  $x$  is elastic, then a rise in the price of  $x$ 

- (a) will cause total spending on good  $y$  to rise.
- (b) will cause total spending on good  $y$  to fall.
- (c) will cause total spending on good  $y$  to remain unchanged.
- (d) will have an indeterminate effect on total spending on good  $y$ .

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9. The *average* productivity of labor reaches its maximum
- (a) at the point of inflection of the total product curve.
  - (b) where the slope of the total product curve is steepest.
  - (c) where the slope of the total product curve is zero.
  - (d) where marginal and average productivity are equal.
10. For a fixed proportion production function, at the vertex of any of the (L-shaped) isoquants the marginal productivity of either input is
- (a) constant.
  - (b) zero.
  - (c) negative.
  - (d) a value that cannot be determined.
11. The average fixed cost curve always has a negative slope because
- (a) marginal costs are below average fixed costs.
  - (b) average variable costs exceed marginal costs.
  - (c) total fixed costs always decrease.
  - (d) total fixed costs do not change as output increases.
12. If demand facing the firm is price-inelastic, marginal revenue will be
- (a) positive.
  - (b) zero.
  - (c) negative.
  - (d) constant.
13. It is usually assumed that a perfectly competitive firm's supply curve is given by its marginal cost curve. In order for this to be true, which of the following additional assumptions are necessary:
- I. That the firm seeks to maximize profits.
  - II. That the marginal cost curve is positively sloped.
  - III. That price exceeds average variable cost.
  - IV. That price exceeds average total cost.
- (a) I and II but not III and IV
  - (b) I and III but not II and IV
  - (c) I and II only
  - (d) I, II and III, but not IV

(背面仍有題目,請繼續作答)

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14. If price is equal to short-run average variable cost, the firm is at the point known as
- the breakeven point.
  - the profit-maximizing point.
  - the shutdown point.
  - the revenue maximizing point.
15. A firm's demand for labor is known as a "derived demand" because
- the firm gains utility from hiring more labor.
  - the amount of labor hired depends upon how much output the firm can sell.
  - the wage rate paid to workers is derived from the market for labor.
  - it is derived from the demand for capital.
16. If the price of an input falls, a firm would increase the use of that input for which reason:
- The input is now more productive, and the firm can substitute this input for other relatively more expensive inputs.
  - The input is now more productive, and overall production costs are now lower, meaning a firm may choose to increase production.
  - Overall production costs are now lower and the firm can substitute this input for other relatively more expensive inputs.
  - Overall production costs are now lower and the firm will have more of other inputs to use with the one in question.
17. A firm will hire additional units of any input up to the point where
- the marginal productivity of the input is maximized.
  - the marginal cost of employing the input is minimized.
  - the expense of employing the last unit is equal to the revenue brought in by the last unit.
  - the revenue brought in by the input is maximized.
18. If a firm is a price taker in both the input and output markets, its marginal revenue product of labor is given by
- the price of its output times labor's marginal physical productivity.
  - the marginal value product of labor.
  - the marginal revenue product of capital times the ratio of the wage rate to the rental rate on capital.
  - all of the above.

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19. Under perfect competition, if an industry is characterized by positive economic profits in the short run,
- (a) firms will leave the market in the long run and the short-run supply curve will shift outward.
  - (b) firms will enter the market in the long run and the short-run supply curve will shift outward.
  - (c) firms will enter the market in the long run and the short-run supply curve will shift inward.
  - (d) firms will leave the market in the long run and the short-run supply curve will shift inward.
20. In the long run, the greater burden of a specific tax will usually be absorbed by
- (a) consumers.
  - (b) the party—consumers or producers—with the more elastic demand/supply curve.
  - (c) the party with the least elastic demand/supply curve.
  - (d) shareholders and employees of the firm in the form of reduced dividends and wages.
21. The excess burden of a tax is
- (a) the amount by which the price of a good increases.
  - (b) the loss of consumer and producer surplus that is not transferred elsewhere.
  - (c) the amount by which a person's after-tax income decreases as a result of the new tax.
  - (d) the welfare costs to firms forced to leave the market due to an inward shift of the demand curve.
22. In the cartel model,
- (a) firms believe that price increases result in a very elastic demand, while price decreases result in an inelastic demand for their products.
  - (b) each firm acts as a price taker.
  - (c) one dominant firm takes the reactions of all other firms into account in its output and pricing decisions.
  - (d) firms coordinate their decisions to act as a multiplant monopoly.

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23. In monopolistic competition, in the long run customers pay a price that is
- (a) less than the minimum  $ATC$ .
  - (b) more than the minimum  $ATC$ .
  - (c) equal to both the minimum  $ATC$  and the minimum  $AVC$ .
  - (d) equal to the minimum  $ATC$ , but not equal to the minimum  $AVC$ .
24. Which of the following statements regarding an average-cost pricing rule for a natural monopoly is incorrect?
- (a) It sets price equal to average total cost.
  - (b) It is efficient.
  - (c) The firm earns a normal profit.
  - (d) More output is produced than if the firm maximized profit.
25. If the slope of the long-run supply curve for a perfectly competitive industry is negative, the industry experiences
- (a) external economies.
  - (b) external diseconomies.
  - (c) internal economies.
  - (d) internal diseconomies.
26. The Compagnie Naturelle sells mounted butterflies, using butterfly bait it buys from another firm for \$20,000. It pays its workers \$35,000, pays \$1000 in taxes, and has profits of \$3000. What is its value added?
- (a) \$19,000
  - (b) \$59,000
  - (c) \$3000
  - (d) \$39,000
27. Monica grows coconuts and catches fish. Last year she harvested 1500 coconuts and 600 fish. She values one fish as having a worth of three coconuts. She gave Rachel 300 coconuts and 100 fish for helping her to harvest coconuts and catch fish, all of which were consumed by Rachel. In terms of fish, Monica's income would equal
- (a) 1100 fish.
  - (b) 2700 fish.
  - (c) 700 fish.
  - (d) 900 fish.

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28. Citizens of the country of Heehaw produce hay and provide entertainment services (banjo playing). In one year they produced \$15 million worth of hay, with \$11 million consumed domestically and the other \$4 million sold to neighboring countries. They provided \$7 million worth of banjo-playing services, \$5 million in Heehaw, and \$2 million in neighboring countries. They purchased \$6 million worth of soda pop from neighboring countries. Which of the following statements is correct?
- (a) GNP equals \$20 million.
  - (b) Net factor payments from abroad is \$4 million.
  - (c) The current account balance is \$2 million.
  - (d) None of the above.
29. In one year in the country of Countem, workers earned \$4150, proprietor's income was \$392, rental income was \$20, corporate profits were \$683, net interest was \$228, taxes on production and imports were \$329, business current transfer payments were \$12, the current surplus of government enterprises was \$3, statistical discrepancy was \$28, consumption of fixed capital was \$882, factor income received from the rest of the world was \$331, and payments of factor income to the rest of the world was \$623. Based on these data, which of the following statements is *NOT correct*?
- (a) National income equals \$5817.
  - (b) Net national product is \$5845.
  - (c) Gross national product is \$7019.
  - (d) Net factor income is -\$292.
30. The uses-of-saving identity shows that if the government budget deficit rises, then one of the following must happen.
- (a) Private saving must rise, investment must fall, and/or the current account must rise.
  - (b) Private saving must rise, investment must rise, and/or the current account must fall.
  - (c) Private saving must fall, investment must rise, and/or the current account must rise.
  - (d) Private saving must rise, investment must fall, and/or the current account must fall.
31. A disadvantage of chain-weighting for measuring GDP is that
- (a) it causes output growth to slow.
  - (b) the components of real GDP don't sum to real GDP.
  - (c) past growth rates of real GDP change whenever the base year changes.
  - (d) past inflation rates change whenever the base year changes.

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32. The consumer price index (CPI) was 180 for 2002 when using 1983 as the base year (1983 = 100). Now suppose we switch and use 2002 as the base year (2002 = 100). What is the CPI for 1983 with the new base year?
- (a) 18.0
  - (b) 111.2
  - (c) 55.6
  - (d) 80.0
33. How many people are employed if the labor force participation rate is 60%, there are 3 million people unemployed, and there are 30 million people not in the labor force?
- (a) 48 million
  - (b) 54 million
  - (c) 30 million
  - (d) 42 million
34. According to Taiwan's Directorate General of Budget, Accounting and Statistics, who is not included in labor force?
- (a) New jobseekers.
  - (b) Female got married or gave birth.
  - (c) People with disabilities.
  - (d) Retired teachers.
35. Suppose your company is in equilibrium, with its capital stock at its desired level. A permanent decline in the expected real interest rate now has what effect on your desired capital stock?
- (a) Lowers it, because the user cost of capital is now higher.
  - (b) Lowers it, because the future marginal productivity of capital is lower.
  - (c) Raises it, because the future marginal productivity of capital is higher.
  - (d) Raises it, because the user cost of capital is now lower.

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36. An earthquake destroys a good portion of the capital stock. How would you expect this to affect the capital-labor ratio in the long run? There would be
- (a) a downward shift in the saving-per-worker curve and a decrease in the capital-labor ratio.
  - (b) no change in the long-run capital-labor ratio.
  - (c) a rightward movement along the saving-per-worker curve and an increase in the capital-labor ratio.
  - (d) a leftward movement along the saving-per-worker curve and a decrease in the capital-labor ratio.
37. Endogenous growth theory attempts to
- (a) explain how societies can more easily reach the "Golden Rule."
  - (b) explain why productivity changes.
  - (c) show how population growth reduces capital and output.
  - (d) replace the Solow model with a model in which money growth plays a key role.
38. Over time, the wealth of society increases and payments technologies get more efficient. What is the effect on money demand of these two changes?
- (a) Money demand rises proportionately to the rise in wealth.
  - (b) Money demand rises, but less than proportionately to the rise in wealth.
  - (c) Money demand declines.
  - (d) The overall effect is ambiguous.
39. What would cause real money demand to fall due to a change in the following factors?
- (a) A tax on stock market transactions introduced.
  - (b) Computerized bond trading reduces transactions costs.
  - (c) People's average level of wealth rises.
  - (d) The price level falls in a one-time jump.
40. Suppose the real interest rate is 4% and the expected inflation rate is 3%. If the money supply increases by 10% and output, the real interest rate, and the expected inflation rate are unchanged, then the price level increases by
- (a) 3%
  - (b) 10%.
  - (c) 4%.
  - (d) 7%.

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41. Which of the following macroeconomic variables is procyclical and coincident with the business cycle?
- (a) Residential investment
  - (b) Unemployment
  - (c) Nominal interest rates
  - (d) Industrial production
42. Suppose the economy is initially in long-run equilibrium. For each of the shocks listed below, which one would not affect *both* output and the price level in the long-run?
- (a) Labor supply decreases.
  - (b) The government shuts down the Executive Yuan's Government Information Office.
  - (c) Productivity increases.
  - (d) None of the above.
43. For each of the following changes, which would cause the real interest rate to fall in the very short run, before the price level has adjusted to restore general equilibrium?
- (a) Future income declines.
  - (b) Wealth rises.
  - (c) The future marginal productivity of capital increases.
  - (d) Expected inflation declines.
44. According to the following statement, what would happen in the long run if such advice were followed by the Fed (also known as the Federal Reserve): "The increase in the stock market has increased people's wealth. As a result, their consumption has increased, increasing aggregate demand and output. So the Fed needs to increase the money supply, since with higher income, people's demand for real money balances will be higher."
- (a) The price level must drop.
  - (b) Saving is not affected.
  - (c) The  $LM$  curve shifts up and to the left.
  - (d) The contractionary monetary policy should be conducted.

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45. The Phillips curve is the relation between inflation and unemployment that holds for a given natural rate of unemployment and a
- (a) given rate of inflation.
  - (b) given expected level of unemployment.
  - (c) given level of unemployment.
  - (d) given expected rate of inflation.
46. The Lucas critique is an objection to the assumption that
- (a) historical relationships between macroeconomic variables will continue to hold after new policies are in place.
  - (b) inflation is always and everywhere a monetary phenomenon.
  - (c) there is a negative relationship between inflation and unemployment.
  - (d) people form expectations rationally.
47. When actual inflation is greater than expected inflation
- (a) there are transfers from borrowers to lenders.
  - (b) there are transfers from lenders to borrowers.
  - (c) unemployment falls, according to Phillips-curve analysis.
  - (d) cyclical unemployment falls, according to Phillips-curve analysis.
48. Under a flexible-exchange-rate system, an increase in the demand for Japanese yen would cause the U.S. dollar/Japanese yen exchange rate to
- (a) rise.
  - (b) remain unchanged, because supply also increases.
  - (c) fall.
  - (d) remain unchanged, because the exchange rate is set by the central bank.
49. Suppose Japan is currently running a current account surplus. The most effective way of eliminating this current account surplus would be to temporarily \_\_\_\_\_ government purchases and \_\_\_\_\_ the domestic money supply.
- (a) decrease; decrease
  - (b) decrease; increase
  - (c) increase; increase
  - (d) increase; decrease

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50. The primary reason that short-lived shocks can have long-run effects is
- (a) the presence of propagation mechanisms.
  - (b) the presence of rational expectations among the public.
  - (c) the nonneutrality of money.
  - (d) misperceptions by the public over the actual price level and the expected price level.