

※ 考生請注意：本試題不可使用計算機。請於答案卷(卡)作答，於本試題紙上作答者，不予計分。

一、單選題(100 分，每題 2 分)

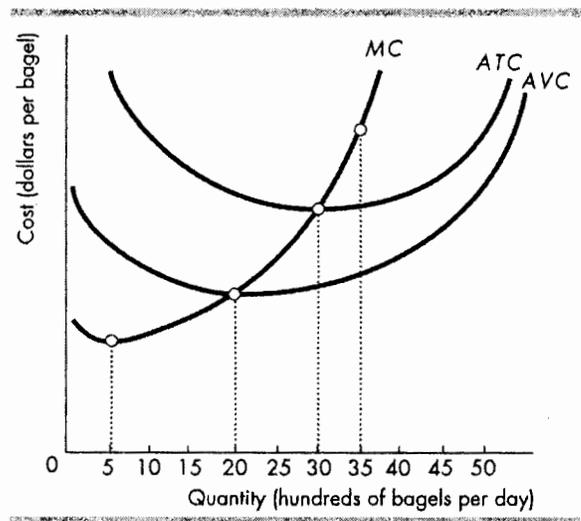
1. Measures of Fed policy activity include

- I. The budget deficit or surplus.
- II. The federal funds rate.
- III. The growth rate of M2.

- A) I and II.
- B) I and III.
- C) II and III.
- D) I, II, and III.

2. The right figure shows the costs at Barney's Bagel Bakery. After 3000 bagels are produced each day, the ATC curve starts to slope upward because

- A) the MC curve slopes upward.
- B) the MC exceeds the ATC.
- C) Both of the above.
- D) Neither of the above.



3. A 10 percent decrease in income decreases the quantity demanded of pizza by 3 percent. The income elasticity of demand for pizza is

- A) 0.3.
- B) 10.0.
- C) -0.3.
- D) 3.3.

4. At the long run profit maximizing level of output under perfect competition, equilibrium will be achieved at a point where price equals:

- A) marginal revenue.
- B) marginal cost.
- C) average cost.
- D) All above answers

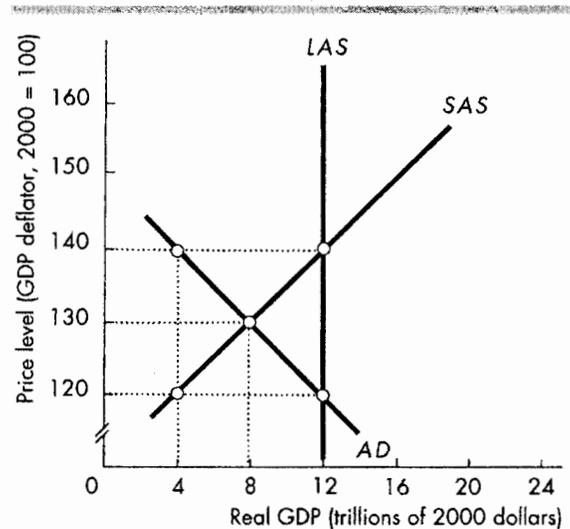
5. Ricardo buys cola and popcorn. Cola sells for \$0.50 a can and popcorn sells for \$1 per bag. He is in consumer equilibrium. The price of a cola jumps to \$1 per can. In his new consumer equilibrium,

Ricardo's

- A) marginal utility of cola will decrease.
- B) marginal utility per dollar spent will be 2.
- C) marginal utility of cola will be equal to his marginal utility of popcorn.
- D) total utility will be higher.

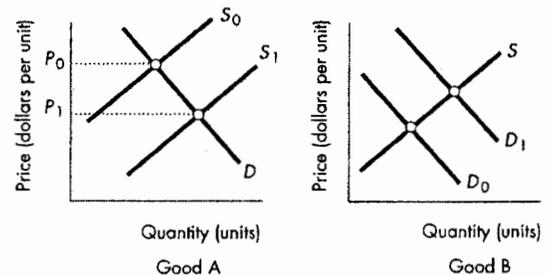
6. Based on the right figure, the economy will be in a long-run macroeconomic equilibrium at a price level of

- A) 90.
- B) 110.
- C) 100.
- D) 120.



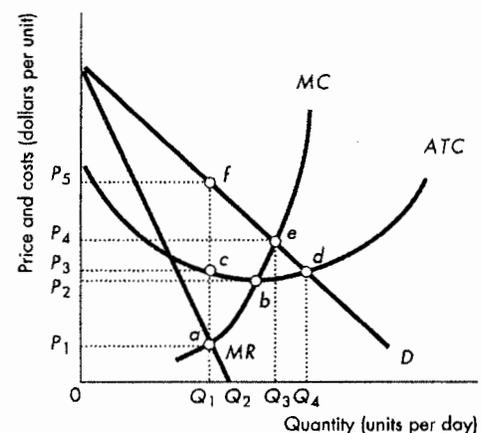
7. In the right figure, if the price of good A falls from P_0 to P_1 and the demand for good B increases from D_0 to D_1 , then goods A and B

- A) are inferior goods.
- B) are both price elastic but not perfectly price elastic.
- C) will have a negative cross elasticity of demand.
- D) are substitute goods.



8. The single-price monopolist shown in the right figure could increase its economic profit if

- A) the demand for its good increased.
- B) its costs of production decreased.
- C) it became a price discriminator.
- D) any or all the above were to occur.



9. The only goods you consume are pizza and soda. Both are normal goods. For you, pizza and soda are substitutes. Which of the following leads you to buy more of both goods?

- A) The price of a soda falls.
- B) Your income increases.
- C) The price of a pizza falls.
- D) Both answers A and B are correct.

10. Which of the following statements is true?

- A) The marginal and average product curves intersect at the maximum level of output.
- B) At every output level the marginal product curve lies above the average product curve.
- C) The marginal product and average product curves intersect when average product is at its maximum.
- D) The marginal product curve always has a positive slope.

Total population (millions)	Currently employed (millions)	Not working and looking for work (millions)	Want to work but no longer looking for work (millions)
80	40	2	4

11. In the table above, the size of the labor force is

- A) 80 million.
- B) 40 million.
- C) 42 million.
- D) 46 million.

12. A firm's average total cost is \$80, its fixed cost is \$1000, and its output is 100 units. Its average variable cost

- A) is less than \$40
- B) is between \$40 and \$60.
- C) is more than \$60.
- D) cannot be determined without more information.

	John		Mary	
	hours	Cut/wash	hours	Cut/wash
Hair cut	4	16	6	6
Hair wash	8	16	6	6
total	12	32	12	12

13. Both John and Mary are barbers. They can cut hair and wash hair. Their record of doing that in the last 12 hours is listed in the above table. Who has absolute advantage and comparative advantage on haircut, respectively?

- A) John, John
- B) John, Mary
- C) Mary, John
- D) Mary, Mary

14. When the price of a chocolate bar is \$0.50, the quantity demanded is 400 packs per day. When the price falls to \$0.30, the quantity demanded increased to 600. The demand for chocolate bar is

- A) inelastic,
- B) elastic,
- C) unit elastic,
- D) perfectly inelastic,

15. Ms. Lollipop opened a candy store in December 2010. She rented a building for \$25,000 a year and used \$30,000 from her savings account, which earned an annual interest rate of 2 percent, to buy capital equipment. During the first year of operation, Lollipop paid \$28,000 to her employees, \$10,000 for utilities, and \$16,000 for goods she bought from other firms. In December 2011, the market value of Lollipop's capital equipment was \$26,000. Lollipop's best alternative to running her candy store is to work as a sales clerk at Winn-Dixie for \$15,000 a year. What is Lollipop's total opportunity cost?

- A) \$124,600
- B) \$124,000
- C) \$120,600
- D) \$98,600

16. Suppose that Brazil's production possibilities are given in the right table. What is the marginal cost of a gallon of biofuel in Brazil when the quantity produced is 75 gallons per month?

- A) 0.5 tons of sugar cane,
- B) 2 tons of sugar cane,
- C) 50 tons of sugar cane,
- D) 100 tons of sugar cane.

Sugar cane (tons per month)	and	biofuel (gallons per month)
300	and	0
200	and	50
100	and	100
0	and	150

17. Assume that a household spend all its income on food and clothes. If the household's income tripled and the price of both food and clothes doubled. How will its budget line change?

- A) The slope does not change but shifts inward.
- B) The slope does not change but shifts outward.
- C) Gets steeper and shifts inward.
- D) Gets steeper and shift outward.

Gallons of Milk	Utility from Milk	Kilogram of Pork	Utility from Pork
1	10	1	25
2	16	2	40
3	20	3	46
4	22	4	48
5	23	5	49

18. The above table is the utility of a family from consuming pork and milk. A kilogram of pork costs \$3 and milk costs \$2 per gallon. If the family has an income of \$15 to spend on milk and pork, then maximizes its utility by consuming
- A) 1 kilogram of pork and 2 gallon of milk.
 B) 1 gallon of milk and 2 kilogram of pork.
 C) 3 kilogram of pork and 3 gallon of milk.
 D) an amount that cannot determined from the table.
19. Economists define the short run as a period of time so short that
- A) the amount of output can be changed.
 B) all factor of production cannot be varied.
 C) at least one factor of production cannot be varied.
 D) only one factor of production can be varied.

Corporate profits	200
Net interest	150
Indirect taxes less subsidies	230
Depreciation	250
Compensation of employees	1,250
Proprietor's income	150
Rental income	70
Personal consumption expenditures	1,500
Government expenditure on goods and services	500
Net exports of goods and services	40

20. Using the data in the above table, gross private domestic investment equals
- A) \$250.
 B) \$260.
 C) \$460.
 D) some amount that cannot be determined without more information.

21. Who of the following is counted as unemployed?
- A) Glenn, a student who just graduated from college last week and is currently looking for a job
 - B) Rene, a retired engineer
 - C) Homer, a full-time student at an university
 - D) Kim, a worker on strike from her company for a week

22. The commodity substitution bias of CPI is that
- A) consumers substitute high-quality goods for low-quality goods.
 - B) government spending is a good substitute for investment expenditures.
 - C) consumers decrease the quantity they buy of goods whose relative prices rise and increase the quantity of goods whose relative price falls.
 - D) national saving and foreign borrowing are interchangeable.

23. A fall in the price of wheat fertilizer _____ the equilibrium price of wheat and _____ the equilibrium quantity of wheat.
- A) raise; increase
 - B) raise; decrease
 - C) lower; increase
 - D) lower; decrease

Item	2012		2013	
	Quantity	Price	Quantity	Price
bread	10	\$30	8	\$40
cookies	20	\$10	15	\$20

24. In 2012, consumers in town D consumed only breads and cookies. The prices and quantities for 2012 and 2013 are listed in the table above. The reference base period for D's CPI is 2012. What is the CPI in 2013?
- A) 59
 - B) 129
 - C) 169
 - D) 160
25. Water is cheap and diamonds are expensive because water has a _____, and diamonds have a _____.
- A) low total utility; high total utility
 - B) low marginal utility; high marginal utility
 - C) high marginal utility; low marginal utility

- D) low marginal utility and a low total utility; high marginal utility and a high total utility
26. A change in technology that shifts the firm's total product curve upward without changing the quantity of capital used
- A) shifts the average total cost curve upward.
 - B) shifts the average total cost curve downward.
 - C) does not change the cost curves.
 - D) shifts the marginal cost curve upward.
27. A perfectly competitive industry is in long-run equilibrium. Some firms in the industry adopt new technology that reduces the average total cost of producing the good. In the long run, the price is _____, firms with the new technology make _____ economic profit, and firms with the old technology _____.
- A) lower; zero; exit the industry
 - B) constant; a positive; make normal profit
 - C) lower; zero; switch to the new technology or exit the industry
 - D) constant; zero; exit the industry
28. A perfect price discriminating monopoly produces the same quantity of output as a _____.
- A) single-price monopoly but charges a higher price
 - B) perfectly competitive market
 - C) perfectly competitive firm
 - D) perfectly competitive market but charges a lower price
29. Suppose there are 100 million in the labor force, and 6 million unemployed people. During the next month, 200,000 people lose their jobs and 300,000 find jobs. The new total of employed persons is _____ and the new unemployment rate is _____.
- A) 100.1 million; 5.8 percent
 - B) 100 million; 6.1 percent
 - C) 94.1 million; 5.9 percent
 - D) 93.9 million; 6.1 percent
30. Reflecting the state of the economy in 2008, the Bureau of Labor Statistics reported in October that over 1000 jobs were lost in the legal services sector. For example, one firm in Chicago stated that it had fired 54 lawyers in 2008. A representative from the firm stated that most had worked in its real estate division.

- A) frictional
 - B) structural
 - C) efficiency wage
 - D) cyclical
31. Which of the following reflects normative economics?
- A) The unemployment rate is down.
 - B) Increasing the money supply will lead to higher prices.
 - C) The economy would be better off with less inflation
 - D) The interest rate is higher than last year.
32. Which of the following does not shift the supply curve rightward?
- A) A technology advance
 - B) A decrease in the wage of labor used in production of the good
 - C) A fall in the prices of a substitute in production
 - D) An increase in the price of the good
33. The term “unit elasticity” is used to describe a situation in which a rise in price is accompanied by
- A) A fall in total expenditure
 - B) A rise in total expenditure
 - C) Constant total expenditure
 - D) A unit decrease in total expenditure
34. In Country S, cigarettes are forbidden, so people trade cigarettes in a black market. The cigarettes demand is $Q_D=12-P$, and the cigarette supply is $Q_S=2P$. Suppose that the government try to change the policy and legalizes cigarette dealings. Now cigarettes are traded in an open market. However, for every unit of the cigarettes bought, the buyer has to pay tax $T=3$ to government. What is the after-tax price paid by buyers under this new policy?
- A) \$10
 - B) \$8
 - C) \$6
 - D) \$4
35. Suppose $MRS_{xy}=3$.
- A) The consumer is willing to substitute 3 units of x for 1 unit of y to leave utility unchanged.
 - B) The consumer is willing to substitute 3 units of y for 1 unit of x to leave utility unchanged.
 - C) Regardless of prices, the consumer will consume only y.
 - D) Regardless of prices, the consumer will consume only x.

36. Consider the following information about the choices that Jack makes. Which of the following is not true?

	x	y	P_x	P_y	I
Week1	10	20	2	1	40
Week2	6	14	2	2	40
Week3	20	10	2	2	60

- A) x and y are both normal goods.
 B) x and y are complement for Jack.
 C) Jack's utility decreases between week1 and week2.
 D) Jack's utility increases between week2 and week3.
37. Which statement listed as follows is true?
 A) A person's full income is the amount of income that he or she would have if there were no taxes.
 B) If all goods, including leisure, are normal goods, then an increase in the wage rate will necessarily mark people want to work more hours.
 C) If a person has no non-labor income, a decrease in wages causes the budget line between leisure and other goods, to shift downward in a parallel fashion.
 D) If leisure is a normal good, then an increase in non-labor income will reduce labor supply.
38. At the current level of output, long-run marginal cost is \$50 and long-run average cost is \$75. This implies that
 A) There are neither economies nor diseconomies of scale.
 B) There are economies of scale.
 C) There are diseconomies of scale.
 D) The cost-output elasticity is greater than one.
39. The market structure in which strategic considerations are most important is
 A) monopolistic competition
 B) oligopoly
 C) perfect competition
 D) monopoly
40. If a government requires a natural monopoly to price at marginal cost
 A) Monopoly firms will earn zero economic profits because the price of the good equals the cost of producing that good.
 B) Monopoly firms will operate at a loss because $P < AC$.

- C) More firms will be able to enter the market.
- D) Producer surplus will increase because quantity supplied is greater.

41. "German economic growth slowed ... Economic growth slowed to 0.3 percent from 0.5 percent. Expansion was driven by exports... (and) household consumption added ...to growth. As unemployment declines and disposable incomes increase, household spending may also gain momentum.

www.bloomberg.com, August 23, 2007

We can conclude that the German economy

- A) is at the peak of the business cycle.
 - B) has entered the expansion phase of the business cycle.
 - C) has slowed due to a decline in investment or government spending.
 - D) is in the recession phase of the business cycle.
42. Which one of the following statements about growth theories is correct?
- A) In the new growth theory, knowledge is not subject to diminishing returns.
 - B) In neoclassical growth theory, technological progress is the result of rapid increases in saving and investment in capital per person.
 - C) In classical growth theory, real GDP per person is unrelated to the subsistence real GDP.
 - D) In classical growth theory physical resources are unlimited.
43. If the world real interest rate falls, then a country that is a net foreign borrower
- A) increases the amount of its borrowing.
 - B) does not change the amount of its borrowing.
 - C) decreases the amount of its borrowing.
 - D) None of the above answers is correct because borrowing might increase, decrease, or not change.

Component	Amount (billions of dollars)
Currency	200
Checking deposits	600
Savings deposits	400
Traveler's checks	15
Time deposits	1,300
Money market mutual funds	1,100
Available credit on credit cards	900

44. According to the table above, the value of M1 is _____ and the value of M2 is _____.

- A) \$200 billion; \$2,750 billion
- B) \$800 billion; \$1,960 billion
- C) \$815 billion; \$3,615 billion
- D) \$815 billion; \$4,515 billion

45. The table below shows data for Indonesia between 2005 and 2006.

	2005	2006
Money growth rate	21.4	12.0
Real GDP growth rate	5.7	5.5

Assume the rate of velocity change is constant. According to the quantity theory of money, Indonesia's inflation rate

- A) was 17.5 percent in 2006.
 - B) is 27.1 percent in 2005.
 - C) will increase over the 12 months.
 - D) is higher in 2005 than in 2006.
46. Suppose that the price of an identical sport-utility vehicle is \$32,000 in U.S. dollars in the United States and \$32,000 in Canadian dollars in Canada. Suppose in addition that the exchange rate between Canada and the United States is one Canadian dollar equals \$0.75 U.S. dollar. Based on this information what will happen to the exchange rate between the United States and Canada?
- A) The value of the U.S. dollar will fall as U.S. residents purchase SUVs in Canada.
 - B) The value of the Canadian dollar will fall as Canadians purchase SUVs in the United States.
 - C) The exchange rate will stay the same because purchasing power parity already holds.
 - D) The value of the Canadian dollar will fall because Canadian prices are lower than U.S. prices.
47. A decrease in the natural unemployment rate shifts the long-run Phillips curve _____ and _____ the short-run Phillips curve.
- A) rightward; does not shift
 - B) leftward; shifts rightward
 - C) rightward; shifts rightward
 - D) leftward; shifts leftward
48. In 2008 the money wage rate in Ireland increased by 4 percent while the price level increased by 8 percent. As a result, Ireland's
- A) short-run aggregate supply curve shifted leftward.
 - B) short-run aggregate supply curve shifted rightward.
 - C) long-run aggregate supply curve shifted rightward.

D) short-run and long-run aggregate supply curves shifted rightward.

49. Which of the following are business cycle theories that regard fluctuations in aggregate demand as the factor creating business cycles?

- I. Keynesian cycle theory
- II. Real business cycle theory
- III. Monetarist cycle theory

- A) I only
- B) I and II
- C) I and III
- D) I, II and III

50. In the right figure, the induced consumption when real GDP is \$12 trillion is

- A) zero.
- B) \$2 trillion.
- C) \$8 trillion.
- D) \$12 trillion.

