

一、單選題 (40%)

1. Supply curves generally slope upward because of all of the following except one
 - (a) Producers are willing to offer more of a good at higher prices.
 - (b) A higher price attracts resources from less valued uses.
 - (c) Producers must be compensated for the rising opportunity cost of additional output.
 - (d) Producers must be compensated for the rising marginal cost of additional output.
 - (e) The price of a good usually must fall to induce an increase in quantity supplied.
2. If the central bank had to choose between fixing the interest rate and fixing the supply of money,
 - (a) it would always fix the money supply, so that the price level would be stable.
 - (b) it would always fix the money supply, so that spending would be stable.
 - (c) it would always fix the interest rate, so that investment would be stable.
 - (d) it would always fix the interest rate, so that demand for money would be stable.
 - (e) neither alternative would be clearly better than the other.
3. Which of the following is not a leading economic indicator?
 - (a) Construction of new housing
 - (b) Total consumer spending
 - (c) Stock markets index
 - (d) Money supply M1
 - (e) Number of new firms started
4. When diminishing marginal returns set in, marginal physical product is
 - (a) positive and increasing.
 - (b) positive and decreasing.
 - (c) negative and increasing.
 - (d) negative and decreasing.
 - (e) none of the above.
5. In combating stagflation,
 - (a) a government-induced increase in aggregate demand would help reduce inflation but aggravate unemployment.
 - (b) a government-induced decrease in aggregate demand would help reduce unemployment but aggravate inflation.
 - (c) a government-induced increase in aggregate demand would help reduce unemployment but aggravate inflation.
 - (d) the experience of the 1970s proved that Keynesian economics was crucial.
 - (e) a decrease in aggregate supply would solve the problem.
6. When money is included in the model, the effect of expansionary fiscal policy on real GNP are
 - (a) magnified because of the increase in the interest rate.
 - (b) magnified because of the decrease in the interest rate.
 - (c) diminished because of the increase in the interest rate.
 - (d) diminished because of the decrease in the interest rate.
 - (e) unchanged.
7. To close a contractionary gap using fiscal policy, the government can
 - (a) increase government spending by the size of the gap.
 - (b) decrease government spending by the size of the gap.
 - (c) increase government spending by more than the size of the gap.
 - (d) increase government spending by less than the size of the gap.
 - (e) decrease government spending by more than the size of the gap.
8. Which oligopoly model was developed to explain price stability in an industry?
 - (a) The kinked demand curve
 - (b) Cartels
 - (c) Price leadership
 - (d) Game theory
 - (e) Cost-plus theory

9. With perfect price discrimination,
- (a) the marginal revenue curve becomes steeper.
 - (b) the demand curve also becomes the marginal revenue curve.
 - (c) the demand curve is steeper than the marginal revenue curve.
 - (d) the demand curve is not as steep as the marginal revenue curve.
 - (e) there is no way to define marginal revenue.
10. If people suddenly become more willing to lend money at each rate of interest, what happens to the equilibrium rate of interest?
- (a) Because of the increase in demand for loanable funds, the interest rate increases.
 - (b) Because of the increase in the supply of loanable funds, the interest rate increases.
 - (c) Because of the increase in the supply of loanable funds, the interest rate decreases.
 - (d) Because of the increase in demand for loanable funds, the interest rate decreases.
 - (e) The quantity of loanable funds supplied increases.
11. The difference between an import quota and a tariff that results in the same domestic price is
- (a) none; they are the same.
 - (b) the quantity demanded is higher under the tariff.
 - (c) the world price is higher under the quota.
 - (d) the tariff revenue goes to the domestic government; quota benefits may go to foreigners.
 - (e) none of the above.
12. If the demand for airline tickets to Miami Beach is price elastic,
- (a) airline revenue will increase if supply increases.
 - (b) airline revenue will increase if supply decreases.
 - (c) a small change in price will cause a large shift in the demand curve.
 - (d) a large change in price will cause a small shift in the demand curve.
 - (e) a large change in price will cause a large shift in the demand curve.
13. Pollution is an economic problem because
- (a) private enterprise always minimizes the amount of pollution produced.
 - (b) profitable firms rarely pollute.
 - (c) as the economy grows the level of pollution declines.
 - (d) firms that pollute do not pay the full social cost of producing their output.
 - (e) pollution costs are borne by the consumer.
14. Although some of the statements below are true of both normal goods and inferior goods, only one of the statements defines a normal good. Which one?
- (a) Normal goods are those for which the income effect is positive.
 - (b) Normal goods are those for which the income effect is negative.
 - (c) Normal goods are those for which the substitution effect overrides the income effect
 - (d) Normal goods are those for which the income effect overrides the substitution effect.
 - (e) Normal goods are those for which demand increases when price increases.
15. If the level of autonomous spending increases at a given price level,
- (a) the $C + I$ line shifts up; the economy moves along the aggregate demand curve.
 - (b) the $C + I$ line shifts down; the economy moves along the aggregate demand curve.
 - (c) the aggregate demand curve shifts to the right; the economy moves along the $C + I$ line.
 - (d) the aggregate demand curve shifts to the left; the economy moves along the $C + I$ line.
 - (e) the $C + I$ line shifts up; the aggregate demand curve shifts to the right.
16. What is always true at the quantity where average total cost equals average revenue?
- (a) Total cost equals total revenue.
 - (b) Marginal cost equal marginal revenue.
 - (c) Profit is maximized.
 - (d) Revenue is maximized.
 - (e) Cost is minimized.

17. Which of the following makes economies of scale more likely?
- Large variable costs
 - Large startup costs
 - Large marginal costs
 - Little technological development
 - Labor-intensive production methods
18. An increase in the supply of money will
- increase the demand for money at each level of interest.
 - decrease the demand for money at each level of interest.
 - lead people to try to exchange money for interest-bearing assets.
 - lead people to try to exchange interest-bearing assets for money.
 - increase the interest rate.
19. If a perfectly competitive industry is in equilibrium and then the market demand curve shifts leftward, all of the following must decrease in the short run for the individual firms in the market, except one. Which one?
- Total revenue
 - Marginal revenue
 - Average revenue
 - Marginal cost
 - Average total cost
20. If actual investment exceeds planned investment,
- GNP statistics will be inaccurate.
 - the economy will grow faster than anticipated.
 - firms have underestimated demand for their goods.
 - firms must be accumulating inventory intentionally.
 - firms must be accumulating inventory they don't want.

二、是非題 (21%) 請回答“是”或“非”，並加以解釋，得分視解釋而定。

- The labor supply curve bends backward whenever the income and substitution effects work in opposite directions.
- If the primary determinant of consumption is income, then the primary determinant of saving must be income as well.
- An increase in investment shifts the aggregate demand curve; an increase in stock of capital shifts the aggregate supply curve.
- The real business cycle theory argues that the main source of business cycle is policy shocks such as changes in the real money supply.
- The difference between money supply M1 and M2 is checking deposit.
- GATT is a world organization, and its main function is to help stabilize the exchange rates.
- The Lorenz curve of Taiwan income is getting closer to the absolute equality line during the past ten years.

(並請勿超出此線)

命題人 廖鳳光

三、計算 (21%) (請將計算之最佳答案劃線標示出)

1. If the CPI for 1992 and 1993 are 110 and 116, respectively, what is the inflation rate for the 1993?
2. In an economy in which the growth rates of income velocity of money and real GNP are 2% and 5%, according to "The Quantity Theory of Money", a 15% growth rate in the money supply would result in how many percent growth in price level?
3. If Tom's total utility function is \sqrt{XY} , which X and Y are two goods. The price of good X is \$5 and the price of good Y is \$10. Tom has income \$120. Compute the maximum utility that Tom can achieve.
4. $C = 1000 + 0.75(Y-T)$, $I = 3000$, $G = 2000$, $T = 2000$, $X = 4000$ and $M = 1000 + 0.25Y$, where C, I, G, T, X, M, Y are consumption, investment, government spending, tax revenue, export, import and GNP, respectively. Compute the trade deficit (or trade surplus) at the equilibrium level of GNP.
5. Compute the government expenditure multiplier in above question.
6. If the demand curve for good X is $Q = 1000 - P^2$, where Q and P are the quantity demanded and price of good X, respectively. Compute the price elasticity at $P = 20$.
7. Suppose a monopoly firm is producing good A. Given the following information:
marginal revenue = $2000 - 40Q$
marginal cost = $200 + 20Q$
Compute the profit for each unit of good A sold at equilibrium level.

四、問答 (18%)

1. a) 何謂財政收支盈餘?
b) 近年來台灣的財政收支情形如何?
c) 你認為主要的原因是什麼?
d) 你認為該如何來解決這問題?
2. a) 何謂匯率貶值?
b) 最近一個月來,新台幣對美元的走勢如何?
c) 有那些因素會影響一國家的匯率?
d) 你認為那些因素造成 b) 中的情形?

並請勿超出此線)

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