

系所組別：會計系、交管系、企管系、經濟系

考試科目：經濟學

考試日期：0711，節次：4

※ 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。

Please follow the answer form and write down the answers in order on the answer sheet.

1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20
21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40

Multiple Choice Questions (Please choose the best answer for each question, 2.5 points each), 100%

- The monopolist is currently selling 10 units of its products with price equal to \$40. If it wants to sell the 11th unit, it has to lower the price to \$37. Suppose the firm produces every unit for \$10,
 - the firm should sell the 11th unit to maximize its profit.
 - the firm will make a loss if sells the 11th unit.
 - the marginal revenue is \$10.
 - the marginal revenue of the 11th unit is smaller than the marginal cost.
- Suppose the price elasticity of demand for tickets of Taiwan High Speed Railway (THSR) is 1.5. Ceteris paribus, when THSR reduces its prices, its revenue
 - will go up.
 - will go down.
 - may go up or down.
 - will remain the same.
- If discouraged workers are included as unemployed, the unemployment rate
 - will go up.
 - will go down.
 - may go up or down.
 - will remain the same.

(背面仍有題目,請繼續作答)

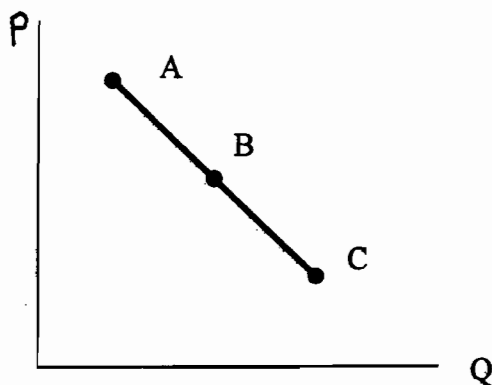
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4. If the CPI in 2008 was 150 and the CPI in 2009 was 140, then the rate of inflation between 2008 and 2009 was
- A) 40%.
 - B) 6.7%.
 - C) -6.7%.
 - D) -10%.
5. John transfers \$1,000 from his checking account to his savings account. This transaction will
- A) decrease both M_1 and M_2 .
 - B) not change M_1 and decrease M_2 .
 - C) decrease M_1 and not change M_2 .
 - D) increase both M_1 and M_2 .
6. Suppose A, B and C are three points on a linear demand as in the figure below. The comparison of price elasticities is
- A) $A > B > C$.
 - B) $A < B < C$.
 - C) $A = B = C$.
 - D) $A > B$ and $B < C$.



7. Apples and oranges are substitute goods. A freeze in Florida destroyed a good portion of the orange crop. Ceteris paribus, the price of
- A) both apples and oranges will rise.
 - B) both apples and oranges will fall.
 - C) oranges will rise and the price of apples will fall.
 - D) oranges will fall and the price of apples will rise.

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8. Suppose the monopolist faces a demand equal to $X=100-2P$ where X is quantity demanded and P the product price, its MR can be written as
- A) $MR=100-4P$.
 - B) $MR=100-P$.
 - C) $MR=50-4X$.
 - D) $MR=50-X$.
9. Whenever a negative externality exists,
- A) the private marginal cost is higher than the social marginal cost
 - B) the market outcome usually involves too much production.
 - C) the output level will still be efficient.
 - D) none of the above.
10. Jane wants to borrow \$100 from John. John wants to make 6% real return on his money, so they both agree on a 6% interest rate paid next year. Both don't anticipate the -2% inflation next year. In this case,
- A) Jane will pay an 8% real interest rate.
 - B) John is better off
 - C) Jane will pay a 6% nominal interest rate.
 - D) All of the above
11. When the Fed raises the required reserve ratio, the banks' excess reserves _____ and the money supply _____.
- A) remains constant; decreases
 - B) decrease; decreases
 - C) increase; remain constant
 - D) increase; increases
12. In a closed economy where $C=1,000+0.75(Y-T)$, $G=500$, $I=300$ and $T=400$,
- A) the equilibrium Y is \$5,000.
 - B) the government has a deficit.
 - C) the economy saves a total of \$300 at equilibrium.
 - D) other things being equal, if G increases by \$100, equilibrium saving will increase by \$100.

(背面仍有題目,請繼續作答)

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13. If the currency-deposit ratio equals 0.5 and the reserve-deposit ratio equals 0.1, then the money multiplier equals:
- A) 0.6
 - B) 1.67
 - C) 2.0
 - D) 2.5
14. The weak version of purchasing power parity (PPP) states:
- A) real exchange rate fluctuates from time to time.
 - B) A big Mac costs \$3.54 in the U.S., it must cost the 354 Yen in Japan, if the nominal exchange rate is 1 dollar=100 Yen
 - C) Real exchange rate is 1.
 - D) Although nominal exchange rate fluctuates, real exchange rate is roughly constant.
15. If U.S Congress passed a tax increase at the request of the president to reduce the budget deficit, but the Fed held the money supply constant, then the two policies together would generally lead to _____ income and a _____ interest rate.
- A) lower; lower
 - B) lower; higher
 - C) no change in; lower
 - D) no change in; higher
16. Good A and good B are substitutes in production. The demand for good A increases so that the price of good A rises. The increase in the price of good A shifts the
- A) demand curve for good B leftward.
 - B) demand curve for good B rightward.
 - C) supply curve of good B leftward.
 - D) supply curve of good B rightward.

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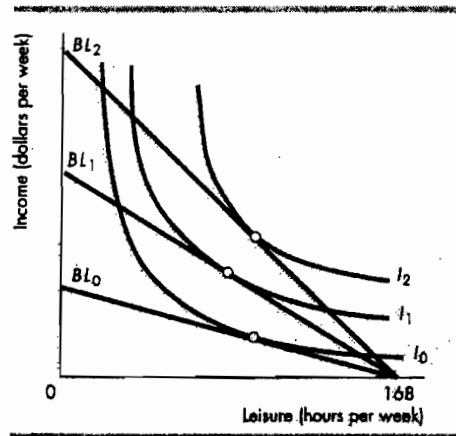
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17. If the interest rate is internationally determined because of capital mobility, then:

- A) inflation is also internationally determined
- B) per capital investment in each country is the same
- C) domestic saving rate should not affect the investment rate of the country
- D) purchasing power parity (PPP) holds

18. Ricky's work-leisure choices are given in the following figure. As the wage rate increases from \$5 to \$10 per hour so that Ricky's income-time budget line shifts from BL_0 to BL_1 , Ricky's _____ effect is stronger. As the wage rate increases from \$10 to \$15 per hour, so that his budget line shifts from BL_1 to BL_2 , Ricky's _____ effect is stronger.

- A) income; substitution
- B) income; income
- C) substitution; income
- D) substitution; substitution



19. Consider the market for diamonds, a monopoly managed by DeBeers. We can expect

- A) an inefficient amount of resources allocated to the diamond market.
- B) the prices of diamonds to be too low.
- C) the diamond market to equalize marginal benefits to marginal costs.
- D) the diamond market to be efficient.

(背面仍有題目,請繼續作答)

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20. Price discrimination

- A) eliminates the producer surplus.
- B) turns consumer surplus into economic profit.
- C) decreases output below the profit-maximizing level.
- D) lowers a monopoly's economic profit.

21. To calculate the unemployment rate, which of the following are necessary pieces of information?

- I. The number of unemployed persons.
 - II. The population.
 - III. The number of people in the labor force.
 - IV. The working age population.
- A) I, II III and IV.
 - B) I and II.
 - C) I and III.
 - D) I and IV.

22. Suppose an individual's MRS (of steak for beer) is 2:1. That is, at the current consumption choices he or she is willing to give up 2 beers to get an extra steak. Suppose also that the price of a steak is \$1 and a beer is 25¢. Then in order to increase utility the individual should

- A) buy more steak and less beer.
- B) buy more beer and less steak.
- C) buy less beer and less steak.
- D) buy more steak and more beer.

23. In a competitive market, an efficient allocation of resources is characterized by

- A) a price greater than the marginal cost of production.
- B) the possibility of further mutually beneficial transactions.
- C) the largest possible sum of consumer and producer surplus.
- D) a value of consumer surplus equal to that of producer surplus.

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24. Under the cartel model, each firm produces where
- A) marginal cost equals marginal revenue.
 - B) price equals marginal cost.
 - C) the average cost curve is at a minimum.
 - D) price exceeds marginal cost by the greatest amount.
25. If the economy enters an expansion,
- A) cyclical unemployment increases.
 - B) structural unemployment increases.
 - C) cyclical unemployment decreases.
 - D) structural unemployment decreases.
26. Which of the following statements regarding the business cycle is correct?
- A) The business cycle occurs because aggregate demand and short-run aggregate supply change at different rates.
 - B) The amount by which potential GDP exceeds real GDP when the economy is at a below-full-employment equilibrium is called an inflationary gap.
 - C) Real GDP can never exceed potential GDP.
 - D) Fluctuations in aggregate demand and in short-run aggregate supply have no effect on the business cycle.
27. If wages and prices were perfectly flexible so that the labor market is always in the equilibrium where the supply of labor equals the demand for it, then
- A) the *AS* curve is vertical.
 - B) the *AS* curve is horizontal.
 - C) the *AS* curve has a 45 degree slope.
 - D) the *AD* curve is vertical.
28. Fiscal policy includes a change in
- A) the quantity of money.
 - B) the price level.
 - C) the unemployment rate.
 - D) tax rates.

(背面仍有題目,請繼續作答)

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29. As we move along a production possibilities frontier producing more and more of a good, the opportunity cost of producing extra units of this good _____.
A) falls
B) does not change
C) rises
D) may rise, fall, or not change
30. What type of unemployment would include a high school graduate who has just entered the labor force and is looking for a job?
A) frictional
B) structural
C) cyclical
D) excessive
31. For an individual such as a moviestar or a pop singer whose natural talents are almost impossible to duplicate,
A) all of their earnings consists of economic rents.
B) none of their earnings consists of economic rents since rent applies only to land.
C) part of their earnings consists of economic rents.
D) all of their earnings consists of interest payments.
32. Suppose that the price of eggs increases from 75 cents to \$1.00 per dozen and as a result a typical farmer experiences a decrease in egg sales from 300 to 200 dozen per week. Using the method of average values, the price elasticity of demand is
A) 1.4
B) 0.8
C) 3.0
D) 1.75
33. If the multiplier is .9 and income increases by \$100, then savings will increase by
A) \$90.
B) \$9.
C) \$10.
D) \$100.

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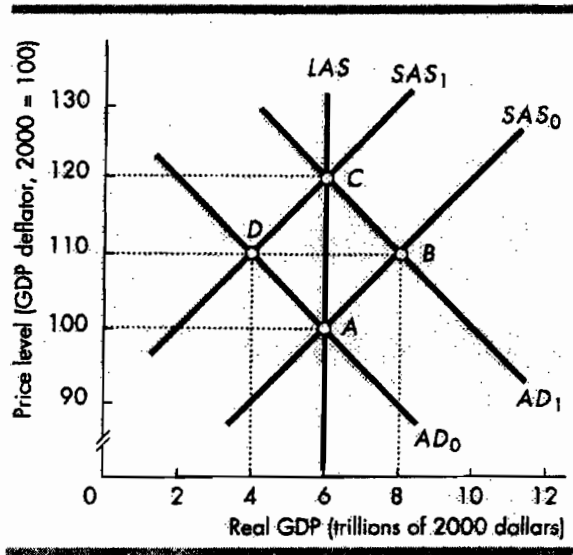
34. All of the following will cause an outward shift of the investment function EXCEPT
- A) innovation that improves production efficiency at every level of output.
 - B) a reduction in business taxes.
 - C) business people becoming optimistic about the future.
 - D) a decrease in the interest rate.
35. The monopsonist will employ labor at the point where the
- A) marginal factor cost equals the marginal revenue product of labor.
 - B) marginal revenue product equals the wage rate.
 - C) marginal cost of output equals the marginal revenue.
 - D) demand equals the supply of labor.
36. If people have more time to adjust to a price change, the price elasticity of demand for that good is likely to
- A) increase
 - B) decrease
 - C) fall to zero
 - D) remain unchanged
37. If Ripco owns the building where it operates, then if
- A) the firm pays no rent, there is no opportunity cost
 - B) the firm does not rent the building to anyone else, there is no opportunity cost
 - C) its usage of the building precludes it from renting to anyone else, there is an opportunity cost
 - D) the firm could use the building for other things, there is no opportunity cost
38. Demand-pull inflation is caused by an
- A) inward shift of the aggregate demand curve
 - B) outward shift of the aggregate supply and demand curves
 - C) outward shift of the aggregate supply curve
 - D) outward shift of the aggregate demand curve

(背面仍有題目,請繼續作答)

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39. In the following figure, suppose the economy is at point D. Which of the following occurs as a result of an open market purchase of bonds?

- A) a decrease in interest rates.
- B) an increase in exports.
- C) an increase in investment.
- D) All of the above occur.



40. A monopolistically competitive firm has the following cost structure:

Output	1	2	3	4	5	6	7
Total Cost(\$)	30	32	36	42	50	63	77

The firm faces the following demand curve:

Price (\$)	20	18	15	12	9	7	4
Quantity	1	2	3	4	5	6	7

If the government forces this firm to produce at its efficient scale, it will

- A) produce 3 units and make \$9.
- B) produce 4 units and make \$6
- C) produce 5 units and lose \$5.
- D) produce 7 units and lose \$49.