※ 注意：請於試卷上「選擇題作答區」依序作答。

單選題共 25 題， 每題 4 分。

1. To construct an ordinary demand curve for good X,
   a. change the price of good X in the consumer choice diagram and observe the change in the quantity of good X among the optimum market baskets.
   b. change the prices of both goods in the consumer choice diagram and observe the change in the quantity of good X among the optimum market baskets.
   c. change the price of good Y in the consumer choice diagram and observe the change in the quantity of good X among the optimum market baskets.
   d. change the consumer's income in the consumer choice diagram and observe the change in the quantity of good X.

2. Suppose Joe purchases 10 six-packs of beer per month when his monthly income is $200. Joe receives a raise at work, giving him an extra $40 per month in take-home pay, and Joe now purchases 12 six-packs of beer per month. What is Joe's income elasticity of demand for beer?
   a. 2.
   b. 1.
   c. 0.3.
   d. 0.05.

3. Consider the income and substitution effects corresponding to an increase in the price of X. Which of the following are not possible?
   a. The substitution effect on X is positive and the income effect is negative.
   b. The substitution effect on X is positive and the income effect is negative.
   c. The substitution effect on Y is negative and the income effect on X in negative.
   d. The income effect on both good is positive.

| Quantity (number of units)	1	2	3	4	5	6	7	8
Marginal Cost (dollars per unit)	3	4	6	9	13	18	24	31

4. Refer to Marginal Cost of Production table above. Suppose the firm has $20 in fixed costs. Its total cost of producing 4 units of output is
   a. $29.
   b. $33.
   c. $56.
   d. $42.

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5. Refer to Marginal Cost of Production table above. Suppose demand for the firm's product is horizontal at a price of $18 per unit. How much output should the firm produce in order to maximize its profit?
   a. 3 units.
   b. 4 units.
   c. 6 units.
   d. 7 units.

6. Given a long-run total cost curve for a firm, the firm's decision about what quantity to produce will be
   a. to produce at the quantity where long-run total cost is at a minimum.
   b. to produce at some quantity where the long-run total cost curve exhibits only increasing returns to scale.
   c. determined only after a specific plant size is chosen.
   d. determined only after information about revenues is also available.

7. Suppose a firm doubles its employment of all inputs in the long run. If this action more than doubles the amount of output produced, then this firm is experiencing
   a. increasing returns to scale.
   b. diminishing marginal returns.
   c. technological progress.
   d. positive marginal revenue.

8. Which of the following is not necessarily true in the long for a competitive industry?
   a. Firms earn zero profits.
   b. Firms set MC=MR.
   c. A firm will not produce if the market price is less than their break-even price.
   d. The long-run supply curve is more elastic than the short-run supply curve.

The following questions refer to the accompanying diagram which shows the effects of a price ceiling. The initial price and quantity are P_0 and Q_0, respectively, and the price ceiling is imposed at the price P_1. Assume that none of the potential deadweight loss can be avoided.

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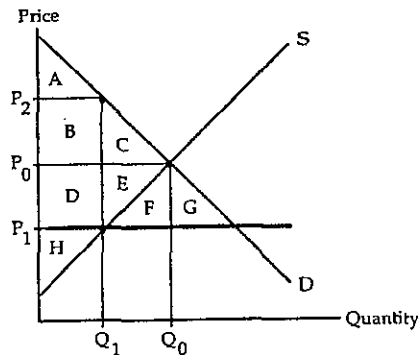
9. Refer to Price Ceiling. Area B + D represents
    a. The deadweight loss due to the price ceiling.
    b. The fall in consumers' surplus caused by the imposition of the price ceiling.
    c. The value of the time and resources spent by consumers to acquire the limited supply.
    d. The post-ceiling profits earned by the producers of the good.

10. Refer to Price Ceiling. After the price ceiling is imposed, consumers' surplus is equal to
    a. area A.
    b. area A + B.
    c. area A + B + D.
    d. area A + B + C + D + E + F + G.

11. When do insurance companies encounter the problem of moral hazard?
    a. When simply having insurance causes people to take more risks than they would otherwise.
    b. When they do not have enough information to distinguish between people who are "good risks" and those who are "bad risks."
    c. When the price of insurance premiums fully reflects all available information.
    d. When the insurance company suffers large losses because a major catastrophe has affected a large number of people simultaneously.

The following questions refer to the accompanying market diagram. P_C and Q_C are the equilibrium price and quantity if the firm behaves competitively, and P_M and Q_M are the equilibrium price and quantity if the firm is a simple monopoly.

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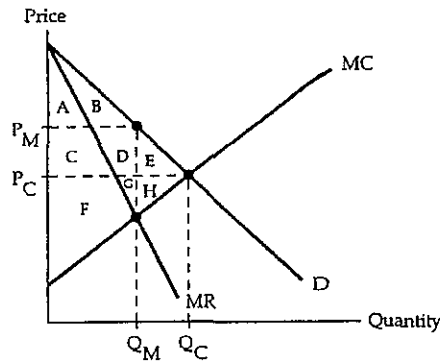
12. Refer to Market Diagram. What area represents the producer's surplus earned in the monopoly equilibrium?

    a. Area A + C + F.

    b. Area C + F.

    c. Area C + D + F + G.

    d. Area C + D + E.

13. Consider the Prisoners' Dilemma game, and suppose one player confesses but the other player does not confess. This outcome is

    a. a Nash equilibrium.

    b. Pareto optimal.

    c. a Pareto improvement over the outcome where both players confess.

    d. Pareto-inferior to the outcome where neither player confesses.

    The following questions refer to the situation below. A chemical plant's production adds pollutants to a stream which irrigates a farm's crops. The pollutants damage the farm's crops, increasing the firm's costs by $800 per month. The crop damage may be eliminated in two ways: the chemical plant can install a new filtering system costing $300 per month, or the farm can install a new irrigation system costing $600 per month.

14. Refer to Pollutants above. Suppose transactions costs are zero. Also suppose the chemical plant is not liable for the farm's crop damages and can continue to pollute the stream. What will be the result of private bargaining between the farm and the chemical plant?

    a. The chemical plant will pay the farm $800 per month in crop damages.

    b. The farm will bear the $800 per month cost of crop damages.

    c. The chemical plant will install the new filtering system.

    d. The farm will install the new irrigation system.

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15. Which of the following would cause the firm's short-run demand curve for labor to shift to the right?
    a. A decrease in the wage rate.
    b. An increase in the price of the firm's product.
    c. An increase in the rental rate paid to capital.
    d. A fall in the amount of complementary capital available.

16. An intermediate good is
    a. always counted when measuring GDP because it doesn't represent time spent in production of a final good or service.
    b. a good whose value is of neither a high grade nor a low grade.
    c. a good that is sold to the government and then redistributed to the poor.
    d. any good that is resold by its purchaser rather than used as is.

17. Which of the following would NOT be included in total final product (GDP)?
    a. welfare payments
    b. a used office building purchased by a high-tech firm
    c. semiconductors that are bought by a firm in Hong Kong
    d. Both A and B.

Assume that all taxes in the economy are autonomous and the values for planned investment, government expenditures, and autonomous taxes are given: p = 100　　G = 100　　T = 50, the consumption function is:　C = 50 + 0.5 YD

18. What is the level of consumption when the level of income is 850?
    a. 375
    b. 425
    c. 450
    d. 475

19. What is the level of unintended inventory investment when income is 850?
    a. -175
    b. 175
    c. -200
    d. 200

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20. What is the equilibrium level of GDP?

    a. 300

    b. 400

    c. 450

    d. 525

21. What will be the equilibrium level of GDP if taxes are reduced by 10?

    a. 460

    b. 470

    c. 510

    d. 520

22. A change in the public's desire to hold money will

    a. shift the IS curve.

    b. change the slope of the IS curve.

    c. shift the LM curve.

    d. change the slope and position of the LM curve.

23. The cost of the CPI basket in 2004 was $23,000, the cost of the CPI basket for the base period, 2005, was $23,805, and the cost of the CPI basket in 2006 was $24,500. The CPI for 2006 is

    a. 93.9.

    b. 97.2

    c. 102.9

    d. 106.5

24. If an economy's growth rate of real GDP is 3 percent per year and the growth rate of the population is 2.5 percent per year, the growth rate of real GDP per person is

    a. $3 + 2.5 = 5.5$ percent per year.

    b. $[(3 - 2.5) \div 2.5] \times 100 = 20$ percent per year.

    c. $[(2.5 - 3) \div 3] \times 100 = 16.6$ percent per year.

    d. $3 - 2.5 = 0.5$ percent per year.

25. Of all the currency inside banks,

    a. only the paper currency is part of M1 and M2.

    b. only the coins are part of M1 and M2.

    c. both the coins and the paper currency are part of M1 and M2.

    d. neither the coins nor the paper currency are part of M1 or M2.