

I. 單選題 (每題 2.5 分) ※ 注意：請於試卷上「選擇題作答區」依序作答。

1. According to The National Bureau of Economic Research, the longest recession the US has endured since World War II
 - A. started in December 2007 and ended in June 2009.
 - B. started in September 2007 and ended in September 2009.
 - C. started in June 2007 and ended in March 2010.
 - D. started in March 2008 and ended in June 2010.
 - E. started in June 2008 and ended in March 2010.

2. Which of the following statements concerns a microeconomic topic?
 - A. We had three recessions during the Eisenhower administration.
 - B. We are not producing enough fuel to meet demand at existing prices.
 - C. Government policies to reduce unemployment might include tax rebates and public works projects.
 - D. Bank savings accounts in 1973 earning interest compounded at an effective rate of 7.9 percent did not increase purchasing power because of the rate of inflation.
 - E. U. S. unemployment rate stands at 9.0% in January of 2011.

3. Scientists claim that the behavior of large groups is predictable because the random actions of individuals tend to offset one another. This is known as:
 - A. the scientific method
 - B. the law of the lawlessness
 - C. a priori speculation
 - D. the pervasiveness of theories
 - E. the law of the large numbers

4. The “invisible hand” in Adam Smith’s The Wealth of Nations refers to:
 - A. the pervasiveness of the government in market decision making
 - B. the collusion of producers in attempting to increase prices
 - C. unseen regulatory agencies
 - D. the coordination generated in the market by the decentralized decision making of millions of consumers and producers
 - E. the power of numerous large corporations

5. If the introduction of a new fertilizer increases the supply of cauliflower, then, other things being equal:
 - A. there will be a shortage of cauliflower
 - B. the price of cauliflower will rise
 - C. consumption of cauliflower will increase
 - D. farmers will move out of cauliflower production
 - E. the entire supply curve of cauliflower will shift to the left

6. When the income of consumers increases and there is technological progress, which of the following describes the expected change in equilibrium price and quantity transacted within the market?
 - A. quantity exchanged increases but the change in price is indeterminate
 - B. quantity exchanged decreases but the change in price is indeterminate
 - C. equilibrium price increases but the change in quantity exchanged is indeterminate
 - D. equilibrium price decreases but the change in quantity exchanged is indeterminate
 - E. Both equilibrium price and change in quantity exchanged are indeterminate

7. An increase in taxi fares will result in increased revenues for taxi drivers if the price elasticity of demand for taxi rides is:
 - A. unity
 - B. less than unity
 - C. greater than unity
 - D. infinity
 - E. equal to the price elasticity of supply of taxi rides

8. The income-consumption curve of an income-inelastic normal good will
 - A. fall at an increasing rate as income increases
 - B. fall at a decreasing rate as income increases
 - C. increase as income increases and at an increasing rate
 - D. increase as income increases but at a decreasing rate
 - E. remain constant as income increases

9. The hypothesis of the separation of ownership and control was developed by
 - A. Galbraith and Nader
 - B. Hall and Hitch
 - C. Nelson and Winter
 - D. Berle and Means
 - E. Diamond and Romer

10. If the managers of a corporation pursue a goal other than profit maximization, they risk:
 - A. nothing
 - B. government action
 - C. a stockholder revolt or takeover bid
 - D. a rise in the market price of the corporation's stock
 - E. the company's product quality being monitored by the consumers

11. Which of the following statements concerning the Lorenz curve diagram is false(不正確的)?
- A. If there were complete equality of income, the Lorenz curve would be a 45-degree diagonal line.
 - B. The size of the area between the Lorenz curve and the 45-degree diagonal line is a measure of the inequality of the income distribution.
 - C. The Lorenz curve is not a straight line unless all incomes are equal.
 - D. The Lorenz curve shows the size distribution of income.
 - E. The closer the Lorenz curve to the diagonal line, the greater the inequality.
12. Which of the following statements is true(正確的)?
- A. Negative externalities caused by an industry lead to too little production in the industry.
 - B. If an externality due to water pollution has been internalized, then no one is adversely affected by water pollution.
 - C. If an industry is perfectly competitive and is in the long-run equilibrium, but is polluting the environment, then a tax on output that internalizes the externalities will force the industry to shut down.
 - D. The socially optimal quantity of air pollution is the amount that would result from a free market.
 - E. a key criticism to the Coase theorem is that the theorem is almost always inapplicable in economic reality, because real-world transaction costs are rarely low enough to allow for efficient bargaining.
13. At every level of consumption, the marginal rate of substitution tells
- A. which indifference curve the consumer is on.
 - B. how much of one good the consumer can exchange for another in the market.
 - C. what the prices of the goods are.
 - D. how much the consumer wants to buy of each good.
 - E. how much of one good the consumer is willing to sacrifice to obtain one unit of the other.
14. Which of the following statements is false(不正確的)?
- A. The law of demand assures that if a good becomes cheaper, people spend more on it.
 - B. If a good's marginal utility declines very quickly as consumption increases, we are likely to consume relatively little of it.
 - C. If the marginal utility of the last dollar spent on one good exceeds that of another, then the consumer cannot be in equilibrium.
 - D. If compact discs are a normal good and their price decreases, then both the income and substitution effect will increase quantity demanded.
 - E. If two households have identical preferences but different incomes, then the wealthier one will have lower marginal utility for most goods.

15. An individual investor would want to purchase the General Motors stock if he believed that
- A. the stock was overvalued.
 - B. General Motors would earn profits in the future.
 - C. the stock's price exceeded the present value of future profits.
 - D. General Motors would have larger profits than other auto makers.
 - E. the present value of future profits exceeded the stock's price.
16. Which of the following statements is true(正確的)?
- A. Zero economic profit is when revenues equal explicit cost.
 - B. An example of fixed cost is employee pension contribution.
 - C. The concept of cost that is relevant for resource allocation decisions is opportunity cost.
 - D. In the long run, diminishing returns cause average costs to rise with output.
 - E. When marginal cost is decreasing, average cost is below marginal cost.
17. Which of the following statements is false(不正確的)?
- A. Monopolistic competition is a form of imperfect competition where many competing producers sell products that are differentiated from one another.
 - B. Textbook examples of industries with market structures similar to monopolistic competition include restaurant and cosmetics.
 - C. In monopolistic competition, firms can use market power to generate profit in the short-run and long-run.
 - D. In the long run the demand curve of a monopolistic competition firm will be tangent to the long run average cost curve at a point to the left of its minimum.
 - E. The "founding father" of the theory of monopolistic competition was Edward Chamberlin; Joan Robinson also receives credit as an early pioneer on the concept.
18. Which of the following statements is false(不正確的)?
- A. Mutual interdependence of sellers is always a characteristic of oligopoly.
 - B. Oligopolies have perfect knowledge of their own cost and demand functions but their inter-firm information may be incomplete.
 - C. In the kinked-demand model, a small increase in marginal and average costs will probably cause the oligopolist to increase its price and reduce its output.
 - D. Oligopoly theory makes heavy use of game theory to model the behavior of oligopolies.
 - E. The UK banking industry is probably an example of an industry characterized by oligopoly.

19. Suppose that the demand curve for the product of a monopoly firm is given by

$$Q = 200 - 10P$$

its marginal revenue is $MR = 20 - 0.2Q$

its average total cost is $ATC = 5 + 0.05Q + 225/Q$

its marginal cost is $MC = 5 + 0.1Q$

Based on the above information, if the firm maximize its profit, its total profits are

- A. \$250.
- B. \$150.
- C. \$-250.
- D. \$-15.
- E. 0.

20. Which of the following statements is false(不正確的)?

- A. A monopolist should shutdown when price is less than average variable cost for every output level.
- B. The change in revenue that results from selling one additional unit of output is the amount received for that unit. Therefore, the marginal revenue curve of a price maker coincides with its downward-sloping demand curve.
- C. A monopolist that can produce any amount of output costlessly will set a price at which the elasticity of demand is unitary.
- D. A monopoly leads to economic inefficiency even when it earns no profit.
- E. American Telephone and Telegraph (AT&T) and Standard Oil are debatable examples of the breakup of a private monopoly.

見背面

※ 注意：請於試卷上「非選擇題作答區」依序作答，並應註明作答之題號。

II. 請回答下列問題：

1. [15 points, 5 each] **True, False, Uncertain.** Explain briefly your answers, and cite the relevant theories, when applicable.
 - (a) According to the World Bank, current GDP per capita in 2009 was close to \$1,000 for Vietnam and \$46,000 for the US. This implies that the typical person in the US has 46 times the purchasing power of a typical person in Vietnam.
 - (b) In the last decade, China has been running a current account surplus while attracting large private capital inflows in the form of foreign direct investment. In order to keep the RMB from appreciating, the Bank of China had to accumulate large amount of foreign reserves.
 - (c) A current account deficit reflects the lack of competitiveness of domestic goods and services. It requires a depreciation of the domestic currency in order to stimulate exports and limit imports.
2. [15 points 5 each] Suppose an economy's national accounts are $GDP = 1000$, $C = 700$, $I = 400$, $G = 200$, $NFP = 0$ and $EX = 200$ where GDP is gross domestic product, C is consumption, I is investment, G is government spending, NFP is net factor payments, and EX is exports.
 - (a) What is the current account balance?
 - (b) What is the saving rate?
 - (c) What would the government and private savings rate be if the government introduced taxes $T = 100$ while the other variables remain unchanged?
3. [20 points, 10 each] Oil prices have recently reached \$90 a barrel. Suppose you are a member of the monetary policy committee of a small open economy, dependent on oil imports, which also wants to maintain a currency peg to the dollar.
 - (a) Describe the pressures that the currency would face due to the increase in oil prices? How would the central bank have to respond in order to maintain the currency peg?
 - (b) Describe the impact of the central bank actions on the money supply, output, and domestic interest rates.

試題隨卷繳回