

- 請依題號順序於「選擇題作答區」內作答。
 - 單選題, 共 25 題, 每題 4 分。
1. What would happen to the equilibrium price and quantity of lattes if coffee shops began using a machine that reduced the amount of labor necessary to produce steamed milk, which is used to make lattes, and scientists discovered that lattes cause heart attacks?
 - (a) Both the equilibrium price and quantity would increase.
 - (b) Both the equilibrium price and quantity would decrease.
 - (c) The equilibrium quantity would increase and the equilibrium price would decrease.
 - (d) The equilibrium price would increase, and the effect on equilibrium quantity would be ambiguous.
 - (e) The equilibrium quantity would increase, and the effect on equilibrium price would be ambiguous.
 2. Under which of the following conditions would the interdiction of illegal drugs result in a decrease in the quantity of drugs sold and in a decrease in total spending on illegal drugs by drug users?
 - (a) The interdiction has the effect of shifting the demand curve for illegal drugs to the right.
 - (b) The interdiction has the effect of shifting the supply curve for illegal drugs to the right.
 - (c) The price elasticity of demand for illegal drugs is 1.3.
 - (d) The price elasticity of supply for illegal drugs is 0.8.
 - (e) As a result of the interdiction, the price of illegal drugs increases by 20 percent and the quantity of illegal drugs sold decreases by 16 percent.
 3. Suppose the price of a good rises. When will the resulting substitution effect reduce the quantity demanded of the good?
 - (a) Always.
 - (b) Whenever the good is a non-Giffen good.
 - (c) Only when the good is normal.
 - (d) Only when the good is inferior.
 - (e) Only when the good is a Giffen good.
 4. A firm is currently producing 200 units of output using 60 hours of labor and 80 hours of capital. The marginal product of labor is 12 units of output per hour, and the marginal product of capital is 15 units of output per hour. If the wage rate is \$6 per hour and the rental rate is \$3 per hour, then
 - (a) the firm's use of labor and capital is cost-efficient.
 - (b) the firm should use more labor and less capital.
 - (c) the firm should use more capital and less labor.
 - (d) the firm should use both more capital and more labor.
 - (e) we cannot determine if the firm's use of inputs is efficient without more information.
 5. Consider a perfectly competitive firm with $MC = 10 + q$. If market demand is $Q = 100 - P$ and the current industry output is 80 units, then the firm will produce
 - (a) zero units.
 - (b) 10 units.
 - (c) 20 units.
 - (d) 30 units.
 - (e) the answer cannot be determined without knowing what the supply curve is.

6. Which of the following statements is true?
- When a competitive firm sells an additional unit of output, its revenue increases by an amount less than the price.
 - When a monopoly firm sells an additional unit of output, its revenue increases by an amount less than the price.
 - Average revenue is the same as price for both competitive and monopoly firms.
- (ii) only.
 - (iii) only.
 - (i) and (ii) only.
 - (ii) and (iii) only.
 - (i), (ii) and (iii).
7. Consider a profit-maximizing monopoly pricing under the following conditions. The profit-maximizing price charged for goods produced is \$12. The intersection of the marginal revenue and marginal cost curves occurs where output is 10 units and marginal cost is \$6. The socially efficient level of production is 12 units. The demand curve and marginal cost curves are linear. What is the value of the deadweight loss created by the monopolist?
- \$4.
 - \$6.
 - \$8.
 - \$12.
 - \$16.
8. According to the Invisible Hand Theorem, when competitive markets are used to allocate resources,
- no further gains from trade can be created.
 - selfish behavior will cause socially undesirable outcomes.
 - the resulting distribution of income will be fair and equitable.
 - each good's price will equal the value of the labor used in its production.
 - the social gain created by competitive markets is second only to what a hypothetical benevolent dictator could achieve.
9. New England Company plans to build a power plant on the Charles River. By using river water to cool its plant, the river's water temperature will rise enough that trout will no longer survive, much to the dismay of local fishers. The loss of value to the fishers is estimated as \$100,000. The transactions costs of a side payment from either side to the other are prohibitive of any agreement. Therefore, if the property right to the water is worth
- more than \$100,000 to New England Company, who gets the right would not matter.
 - less than \$100,000 to New England Company, who gets the right would not matter.
 - more than \$100,000 to New England Company, efficiency dictates giving the right to the fishers.
 - more than \$100,000 to New England Company, efficiency dictates giving the right to New England Company.
 - less than \$100,000 to New England Company, efficiency dictates giving the right to New England Company.
10. *Honda Cars* offers its customers a fancy showroom and a knowledgeable sales force. If *Toyota Cars* opens an outlet nearby, offering cut rate prices and little service, then *Honda Cars* will likely find
- more customers visiting its showroom, and its sales will increase.
 - more customers visiting its showroom, but lower sales.
 - fewer customers visiting its showroom and lower sales.
 - fewer customers visiting its showroom but more of them making a purchase.
 - both number of customers visiting its showroom and its sales are the same.

11. The fact that employees often take longer lunch breaks than they are supposed to is an example of
- the principal-agent problem.
 - moral hazard.
 - adverse selection.
 - a golden parachute.
 - the free-rider problem.
12. Jake and Bill are both college graduates. Jake is a patrolman and Bill is a detective in the same police precinct. While Jake's job is inherently more dangerous than Bill's, Bill passed a difficult exam to gain promotion to detective. Bill earns more than Jake because
- Bill is a nice person.
 - of a compensating differential.
 - of efficiency wages.
 - of education as a signal.
 - Bill has more human capital.
13. Of the following, the most often used measure of changing living standards is
- the growth rate of nominal GDP per capita
 - the growth rate of nominal GDP
 - the growth rate of real GDP
 - the growth rate of real GDP per capita
 - the unemployment rate
14. Assume that there are decreasing returns to capital, decreasing returns to labor, and constant returns to scale. Now suppose that both capital and labor decrease by 5%. Then the output (Y) will
- decrease by 5%
 - the reduction in Y will be more than 5% but less than 10%
 - not change
 - decrease by less than 5%
 - none of the above
15. Assume that the price levels in two countries are constant. In this situation, we know that:
- neither the real nor the nominal exchange rate can change.
 - the nominal exchange rate will fluctuate more widely than the real exchange rate
 - the nominal exchange rate can change, while the real exchange rate is constant
 - the real and nominal exchange rate must move together, changing by the same percentage
 - the real exchange rate can change, while the nominal exchange rate is constant
16. Assume that the interest rate is greater than 0. Given this information and the information about the payments provided below, rank the following three sequences of payments according to their present value:

	2010	2011	2012
A	190	200	210
B	200	200	200
C	210	200	190

- $C > A > B$
- $C > B > A$
- $B > A > C$
- $A > B > C$
- none of the above

17. When a liquidity trap situation exists, we know that:
- (a) expansionary monetary policy will be deflationary
 - (b) an open market operation will have no effect on the monetary base
 - (c) an open market operation will have no effect on the supply of money
 - (d) fiscal policy will have no effect on the demand for goods
 - (e) none of the above
18. The “depreciation rate” tells us
- (a) the rate at which consumers deplete their total wealth in retirement
 - (b) how much usefulness a machine loses from year to year
 - (c) the difference between current and expected income
 - (d) the difference between current and expected profits
 - (e) the interest rate that should be used in present discounted value calculations
19. Critics of real business cycle theory argue that technology shocks are insufficient explanations of short-run fluctuations in output and employment because technological:
- (a) changes coincide with fluctuations in output
 - (b) regress is implausible
 - (c) shocks match the magnitude and frequency of the business cycle
 - (d) progress occurs rapidly
 - (e) none of the above
20. The argument that econometric policy evaluation is likely to be misleading if policymakers assume stable economic relationships is known as
- (a) the monetarist revolution
 - (b) new Keynesian theory
 - (c) public choice theory
 - (d) the Friedman critique
 - (e) none of the above
21. The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2011 was awarded jointly to Thomas J. Sargent and Christopher A. Sims for
- (a) their analysis of markets with search frictions
 - (b) their contributions to dynamic macroeconomics: the time consistency of economic policy and the driving forces behind business cycles
 - (c) their empirical research on cause and effect in the macroeconomy
 - (d) their pioneering work in the theory of financial economics
 - (e) their fundamental contributions to the economic theory of incentives under asymmetric information
22. The ____ interest rate is adjusted for expected changes in the price level.
- (a) *ex ante* real
 - (b) *ex post* real
 - (c) *ex ante* nominal
 - (d) *ex post* nominal
 - (e) none of the above

23. If stock prices are expected to drop dramatically, then, other things equal, the demand for stocks will _____ and that of Treasury bills will _____.
- (a) increase; increase
 - (b) increase; decrease
 - (c) decrease; decrease
 - (d) decrease; increase
 - (e) decrease; unchanged
24. Suppose interest rates are kept very low for a long time such that there is a spike in the amount of lending. Everything else held constant, this could cause _____ bubble.
- (a) an irrational exuberance
 - (b) a credit-driven
 - (c) a stock market
 - (d) a debt-driven
 - (e) a cost-push
25. The following figure plots a macroeconomic variable using Taiwanese yearly data from 1978 to 2011. This variable is most likely the
- (a) inflation rate
 - (b) unemployment rate
 - (c) economic growth rate
 - (d) nominal interest rate
 - (e) male labor participation rate

