

一、單選題 (共 50 分，每題 2 分) ※ 本大題請於試卷內之「選擇題作答區」依序作答。

1. The father of national-income accounting is
 - A. Adam Smith
 - B. Alfred Marshall
 - C. Simon Kuznets
 - D. John Keynes

2. If the economy is at full employment, the
 - A. the quantity of labor supplied equals the quantity of labor demanded.
 - B. entire labor force is employed.
 - C. long-run aggregate supply curve is upward sloping.
 - D. entire population is employed.

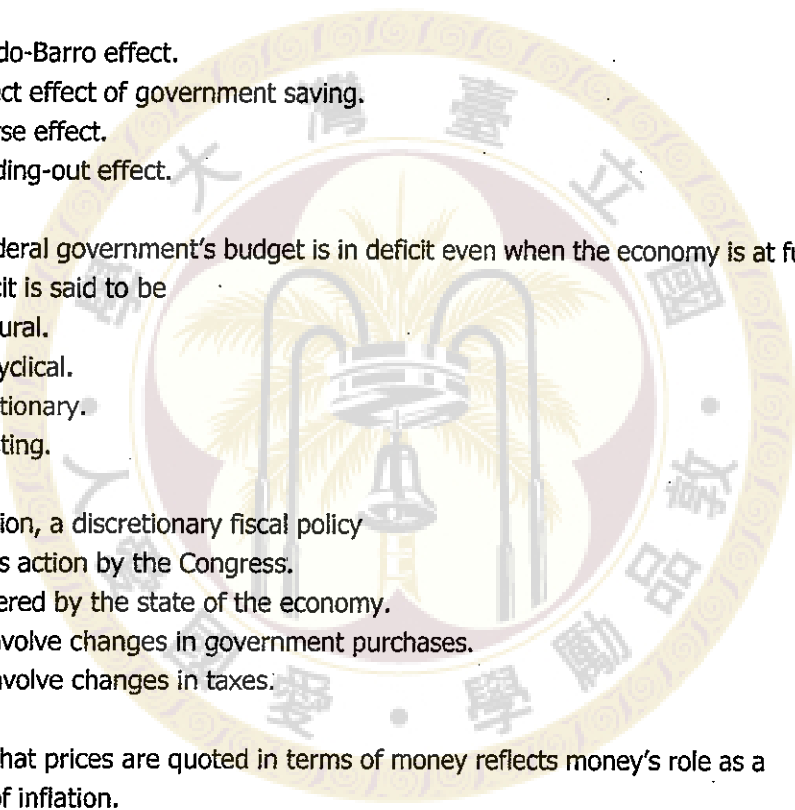
3. Which of the following is an intermediate good?
 - A. A car purchased by an individual.
 - B. A car purchased by the federal government.
 - C. Gasoline purchased by a taxi-cab company.
 - D. Gasoline purchased by an individual.

4. If investment increases by \$200 and, in response, equilibrium expenditure increases by \$800,
 - A. the multiplier is 0.25.
 - B. the multiplier is 4.0.
 - C. the slope of the AE curve is 0.25.
 - D. None of the above.

5. An increase in the price level shifts the AE curve _____ and _____ equilibrium expenditure.
 - A. upward; increases
 - B. upward; decreases
 - C. downward; increases
 - D. downward; decreases

6. In the United States today, which of the following is the largest source of revenue for the federal government?
 - A. Corporate income tax
 - B. Personal income tax
 - C. Indirect tax
 - D. Government deficit

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7. What is the largest component of federal government expenditures?
- A. Transfer payments
 - B. Purchases of goods and services
 - C. International purchases
 - D. Interest on the debt
8. The idea that an increase in the budget deficit decreases the quantity of investment is called the
- A. Ricardo-Barro effect.
 - B. indirect effect of government saving.
 - C. adverse effect.
 - D. crowding-out effect.
9. If the federal government's budget is in deficit even when the economy is at full employment, the deficit is said to be
- A. structural.
 - B. non-cyclical.
 - C. discretionary.
 - D. persisting.
10. By definition, a discretionary fiscal policy
- A. requires action by the Congress.
 - B. is triggered by the state of the economy.
 - C. must involve changes in government purchases.
 - D. must involve changes in taxes.
11. The fact that prices are quoted in terms of money reflects money's role as a
- A. cause of inflation.
 - B. medium of exchange.
 - C. unit of account.
 - D. store of value.
12. The quantity theory of money is the idea that
- A. the quantity of money is determined by banks.
 - B. the quantity of money serves as a good indicator of how well money functions as a store of value.
 - C. the quantity of money determines real GDP.
 - D. in the long run, an increase in the quantity of money causes an equal percentage increase in the price level.

13. A bank's reserves include the ____ and the ____.
- A. deposits it has accepted; cash it keeps in its vault
 - B. liquid loans it has made; deposits it keeps at the Federal Reserve
 - C. liquid securities it has purchased; liquid loans it has made
 - D. deposits it keeps at the Federal Reserve; cash it keeps in its vault
14. ____ is a liability of the Federal Reserve.
- A. Government securities
 - B. Loans to banks
 - C. Banks' deposits at the Fed
 - D. Foreign exchange
15. The monetary expansion process from an open market operation continues until
- A. required reserves are eliminated.
 - B. the Fed eliminates required reserves.
 - C. the discount rate is lower than other interest rates.
 - D. excess reserves are eliminated.
16. In 1979, to reduce the inflation rate, Paul Volcker's Fed ____ interest rates and ____ growth in the quantity of money.
- A. raised; increased
 - B. raised; decreased
 - C. lowered; decreased
 - D. lowered; increased
17. If bond prices fall,
- A. interest rates rise.
 - B. interest rates fall.
 - C. banks' reserves increase.
 - D. households increase the quantity of money they demand
18. Which of the following statements is *not* correct?
- A. When the Fed changes the interest rate it charges banks for loans of reserves, the Fed has changed the discount rate.
 - B. The largest asset on the Fed's balance sheet is government securities.
 - C. When the Fed buys a government security, the monetary base increases and the quantity of money increases.
 - D. None of the above.

19. Of the following sequences of price levels, which correctly represents a 10 percent inflation rate?
- A. 100, 100, 100, 100
 - B. 100, 110, 110, 110
 - C. 100, 110, 120, 130
 - D. 100, 110, 121, 133.1
20. In a demand-pull inflation, the AD curve shifts _____ and the SAS curve shifts _____.
- A. rightward; rightward
 - B. rightward; leftward
 - C. leftward; rightward
 - D. leftward; leftward
21. Which of the following is NOT true of a rational expectation forecast?
- A. It uses all available information.
 - B. It is the best forecast possible.
 - C. It always is correct.
 - D. None of the above because they are all true
22. Which of the following statements is *not* correct?
- A. The major impulse in the new Keynesian theory is unanticipated changes in aggregate demand, but anticipated changes also play a role.
 - B. The impulse in the new classical business cycle theory is an unexpected change in aggregate demand.
 - C. The impulse in the real business cycle theory is a change in the growth rate of productivity.
 - D. None of the above.
23. Which of the following is a U.S. service export?
- A. A U.S. citizen buys dinner while traveling in Switzerland.
 - B. A Mexican citizen spends the night in a motel while visiting the United States.
 - C. A Swiss citizen buys a computer made in the United States.
 - D. A Canadian buys a dinner while traveling in Canada.
24. Suppose the United States initially has no trade surplus or deficit. Then U.S. firms increase their imports from Canada, financing that increase by borrowing from Canada. The United States now has a current account _____ and a capital account _____.
- A. surplus; surplus
 - B. surplus; deficit
 - C. deficit; surplus
 - D. deficit; deficit

25. Which theory of economic growth concludes that growth can continue indefinitely?
- A. The classical theory
 - B. The neoclassical theory
 - C. The new theory
 - D. All of the theories

二、問答題，每題 10 分

1. Firm A and firm B both produce the same product with the following total costs:

Firm A		Firm B	
Quantity Produced	Total Costs	Quantity Produced	Total Costs
0	5	0	2
1	6	1	5
2	8	2	9
3	11	3	14
4	15	4	20

- Consider a situation where 4 units are produced: Firm A produces 2 units and firm B produces 2 units. Explain why this situation is not Pareto efficient. Could such a situation occur in competitive markets if both firms maximized profits? How could production be changed at the two firms in order to produce the 4 items at lower cost? Suppose the price is \$3. How much would each firm produce?
2. Suppose that the price elasticity of demand for diamonds is 1.
- a) Suppose only one monopolistic firm produces diamonds. If the monopolist cuts production by 10 percent, then by what percent does the price rise?
 - b) Now suppose the market is competitive, with 100 firms each supplying 1 percent of the market. If one of the competitive firms cuts its own production by 10 percent and the 99 other firms do not change production, by what percentage does the price rise?
 - c) Why is it likely that the other firms will in fact change production? Suppose each of the other firms increases its own production by 1 percent. By what percent will the price rise?
 - d) How does your answer explain the difference between a monopolist's view and a competitor's view of the market?
3. How will each of the following affect the market for Levi's jeans in the United States?
- a) The price of denim cloth increases.
 - b) An influx of immigrants arrives in the United States.
 - c) A recession causes household incomes to decrease. Illustrate each answer with a supply-and-demand diagram.
4. Explain the "U" shape of a typical average cost curve. Specifically, why is the curve downward sloping at lower levels of output and upward sloping at higher?
5. True, false, or ambiguous? Explain your answer.
- a) A purely competitive firm is profitable when P exceeds minimum AVC.
 - b) A competitive firm's supply curve is just its MC curve.