

(一) 單選題，每題 2 分，請於試卷上「選擇題作答區」依序作答。(90%)

1. In the long run, a competitive firm will operate at:
  - A) its efficient scale.
  - B) minimum marginal cost.
  - C)  $\text{Total Revenue} > \text{Total Cost}$ .
  - D) maximum Marginal Revenue.
  - E) all of the above.
  
2. The inefficiency from monopoly results because:
  - A) there is no competition to force down cost.
  - B) high monopoly prices are not equitable.
  - C) monopolies tend to be too big and unwieldy for efficient operation.
  - D) monopolists underproduce relative to the ideal, at which society's Marginal Cost=Marginal Benefit.
  - E) all of the above.
  
3. If a nation has an *absolute* advantage in the production of a good,
  - A) it can produce that good at a lower opportunity cost than its trading partner.
  - B) it can produce that good using fewer resources than its trading partner.
  - C) it can benefit by restricting imports of that good.
  - D) it will specialize in the production of that good and export it.
  - E) none of the above.
  
4. If a nation has a *comparative* advantage in the production of a good,
  - A) it can produce that good at a lower opportunity cost than its trading partner.
  - B) it can produce that good using fewer resources than its trading partner.
  - C) it can benefit by restricting imports of that good.
  - D) it must be the only country with the ability to produce that good.
  - E) none of the above.
  
5. Which of the following would *not* increase the demand (shift the curve to the right) for beer?
  - A) A new NTU study concludes that beer cures colds and skin disorders.
  - B) A price war results in beer selling for NT\$5/bottle.
  - C) Night clubs begin giving away spicy snacks to their customers.
  - D) The price of a substitute, hard liquor, rises.
  - E) There is an increase in the drinking-age population.

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6. If buyers believe that the price of automobile antifreeze will rise soon, due to an increase in the price of ethylene glycol, which is used to make antifreeze, the most likely immediate result will be:
- A) a decrease (shift to the left) in the demand for antifreeze, due to a change in tastes.
  - B) a decrease (shift to the left) in the demand for antifreeze, due to a shift to substitutes.
  - C) an increase in the quantity demanded, due to the change in supply.
  - D) an increase (shift to the right) in the demand for antifreeze, due to a change in expectations.
  - E) no change in demand; only supply will change.
7. A seller desiring to increase total revenue should:
- A) raise price only if demand is elastic.
  - B) raise price only if demand is inelastic.
  - C) lower price if demand is inelastic.
  - D) lower price if demand has unitary elasticity.
  - E) make pricing decisions based on elasticity of supply, not demand.
8. Congressman Chen wants to reduce cigarette smoking by increasing tobacco taxes. It will probably take a fairly large tobacco tax to make much of a difference, because:
- A) price is irrelevant for consumers.
  - B) demand for cigarettes is totally inelastic.
  - C) demand for cigarettes is relatively inelastic.
  - D) supply of tobacco is relatively inelastic.
  - E) supply of tobacco is relatively elastic.
9. A \$500 per automobile pollution tax on the manufacturers will shift the:
- A) demand curve down by \$500.
  - B) demand curve up by \$500.
  - C) supply curve up by \$500.
  - D) supply curve down by \$500.
  - E) supply and demand curves down by \$500.
10. A tax is most likely to be paid by the seller when the:
- A) demand is elastic and supply is inelastic.
  - B) demand is inelastic and supply is elastic.
  - C) tax is levied on the seller.
  - D) supply and demand are elastic.
  - E) supply and demand are inelastic.
11. Producer surplus is the:
- A) total profit.
  - B) difference between what the consumer offered and the actual price paid.
  - C) difference between price and opportunity cost of production.
  - D) inventories that could not be sold at the market price.
  - E) the difference between willingness to sell and willingness to buy.

12. Total economic well-being to society is the:
- A) consumer surplus less the producer surplus.
  - B) sum of consumer surplus plus producer surplus.
  - C) ratio of consumer surplus to producer surplus.
  - D) total gains to consumers, producers, and government.
  - E) none of the above.
13. The effect of a tax on behavior will be greater if the tax is levied on the:
- A) buyer.
  - B) seller.
  - C) buyers and sellers equally.
  - D) buyers in the short run, but the sellers in the long run.
  - E) none of above: The tax will have the same effect regardless of where it is levied.
14. The deadweight loss of a tax is equal to:
- A) total taxes paid.
  - B) loss of producer and consumer surplus due to the tax.
  - C) total taxes paid plus the loss of producer and consumer surplus due to the tax.
  - D) loss of producer and consumer surplus minus total taxes paid.
  - E) none of the above.
15. If Taiwanese buy automobiles from Japan, than that:
- A) Taiwan's standard of living will fall, but Japan's will rise.
  - B) Japanese standard of living will fall, but that of Taiwan will rise.
  - C) standard of living in both countries will fall.
  - D) standard of living in both countries will rise.
  - E) standard of living may rise or fall, depending on elasticity of demand.
16. If the U.S. sells soybeans to Japan, then:
- A) Japanese soybean farmers are better off.
  - B) Japanese soybean consumers are worse off.
  - C) U.S. soybean producers are worse off.
  - D) U.S. soybean consumers are worse off.
  - E) all of the above.
17. Which of the following statements is true? The most efficient solution for a negative externality would be:
- A) an outright ban.
  - B) direct regulation to control the amount of the externality.
  - C) either a pollution tax or subsidy equal to the amount of the negative externality.
  - D) a tax on the good or service associated with the pollutant.
  - E) a subsidy to not produce the good or service associated with the pollutant.

18. The whaling industry has driven some species of whales nearly to extinction. Cattle, however, continue to thrive on farms throughout the world. The major reason for this difference between cattle and whales is that:
- A) whales have a longer gestation period than cattle.
  - B) whales are more valuable than cattle, and whalers are simply responding to economic incentives.
  - C) the technology for harvesting whales has improved faster than is the case for cattle.
  - D) whaling is an international industry but cattle are raised locally.
  - E) whales are a common resource and cattle are private property.
19. Which of the following costs is variable in the long run?
- A) wages paid to labor.
  - B) payments to suppliers to buy new capital equipment.
  - C) rent on land.
  - D) interest on business loans to buy capital equipment.
  - E) all of the above.
20. The most important source of inefficiency under monopolistic competition is:
- A) lack of spending on research and development.
  - B) the product-variety externality that results from the introduction of a new product.
  - C) failure to capitalize on economies of scale that would make the firm more efficient if it expanded.
  - D) the business-stealing externality that results when new firms enter the industry.
  - E) excess capacity, because there are too many firms producing essentially the same product.
21. John lost his job as a department store manager because of poor sales resulting from the recession. John is
- A) a discouraged worker
  - B) structurally unemployed
  - C) frictionally unemployed
  - D) cyclically unemployed
22. Nominal GDP means the value of goods and services is measured in \_\_\_\_\_ prices.
- A) real
  - B) current
  - C) average
  - D) historical
23. An LM curve shows combinations of:
- A) interest rates and income that bring equilibrium in the market for goods and services.
  - B) government spending and investment.
  - C) nominal money balances and price levels.
  - D) interest rates and income that bring equilibrium in the market for real balances.

24. Using the Keynesian-cross analysis, assume that the consumption function is given by  $C=1,760+0.9(Y-T)$ . If planned investment is 500 and  $T$  is 290, then the level of  $G$  needed to make equilibrium  $Y$  equal 23,990 is:
- A) 400.
  - B) 360.
  - C) 440.
  - D) 500.
25. One of policy responses to an economic slowdown is to increase money growth. This policy response can be represented in the IS-LM model by shifting the \_\_\_\_\_ curve to the \_\_\_\_\_.
- A) IS; left
  - B) IS; right
  - C) LM; left
  - D) LM; right
26. In the IS-LM model, an increase in the interest rate would be the result of a(n):
- A) decrease in the money supply.
  - B) decrease in the money demand.
  - C) decrease in government purchases.
  - D) increase in taxes.
27. If the net capital outflow is negative, then:
- A) imports must be positive.
  - B) imports must be negative.
  - C) the trade balance must be negative.
  - D) the trade balance must be positive.
28. In a small open economy, if domestic saving is \$80 billion and domestic investment is \$90 billion, then there is a trade \_\_\_\_\_ and \_\_\_\_\_ net capital outflow.
- A) deficit; negative
  - B) surplus; positive
  - C) surplus; negative
  - D) deficit; positive
29. Efficiency-wage theories suggest that a firm may pay workers more than the market-clearing wage for the following reason:
- A) increase labor turnover.
  - B) improve the quality of the firm's labor force.
  - C) decrease worker effort.
  - D) reduce the firm's wage bill.

30. If the short-run aggregate supply curve is horizontal, then:
- A) the money supply is irrelevant in the short run.
  - B) it shows fixed prices.
  - C) the money supply cannot affect output in the short run.
  - D) it shows fixed output.
31. Suppose there is a closed economy where full employment always prevails. Its national saving (S) is 300. If domestic investment is given by  $I=400-20r$ , where  $r$  is the real interest rate in percent (eg.  $r=10$  represents 10% interest rate). What is the equilibrium interest rate?
- A) 10%.
  - B) 8%.
  - C) 5%.
  - D) 2%.
32. Following the above question, if the economy becomes a small open one and the world interest rate is 10%, what will the trade surplus or deficit be?
- A) The trade deficit will be 50.
  - B) The trade deficit will be 100.
  - C) The trade surplus will be 50.
  - D) The trade surplus will be 100.
33. Assume that the nominal GDP increased by 6 percent and the GDP deflator increased by 4 percent in the past year, we know that the real GDP \_\_\_\_\_ by \_\_\_\_\_ percent.
- A) decreased; 10
  - B) increased; 10
  - C) increased; 2
  - D) decreased; 2
34. Okun's law is the \_\_\_\_\_ relationship between GDP and the \_\_\_\_\_.
- A) negative; price level
  - B) negative; unemployment rate
  - C) positive; price level
  - D) positive; unemployment rate
35. When government spending decreases and taxes are decreased by the same amount, interest rates:
- A) unchange.
  - B) first increase and then fluctuate.
  - C) increase.
  - D) decrease.

36. In order to decrease the money supply, the central bank can:
- A) sell government bonds.
  - B) sell corporate stocks.
  - C) buy government bonds.
  - D) buy corporate stocks.
37. Suppose that in 2005 GDP ( $Y$ ) is 100. If the money supply ( $M$ ) equals \$1,000 and the price level ( $P$ ) equals 100. What is the velocity of money in 2005?
- A) 10.
  - B) 20.
  - C) 50.
  - D) 100.
38. Suppose the consumption function is given by  $C = 200 + 0.75Y$  and  $Y$  decreases by 1 unit, then savings:
- A) decreases by 0.75 unit.
  - B) decreases by 0.25 unit.
  - C) increases by 0.25 unit.
  - D) increases by 0.75 unit.
39. Tobin's  $q$  is the ratio of the
- A) market value of installed capital to the replacement cost of installed capital.
  - B) profits of capital to the rental rate of capital.
  - C) rental rate of capital to the replacement cost of capital.
  - D) profits of capital to the marginal product of capital.
40. The central bank in the United States is the;
- A) Bank of America.
  - B) National Bank of the United States.
  - C) Federal Reserve.
  - D) U. S. Treasury.
41. A consumer's preferences over consumption in two periods can be represented by:
- A) the intertemporal budget constraint.
  - B) the discount factor.
  - C) indifference curves.
  - D) the marginal rate of substitution.

42. According to the interest parity condition, if the domestic interest rate is 8 percent and the foreign interest rate is 6 percent, then
- A) the expected appreciation of the foreign currency must be 4 percent.
  - B) the expected appreciation of the foreign currency must be 2 percent.
  - C) the expected depreciation of the foreign currency must be 2 percent.
  - D) the expected depreciation of the foreign currency must be 4 percent.
43. In the simple deposit expansion model, a decline in checkable deposits of \$1,000 when the required reserve ratio is equal to 10 percent implies that the central bank
- A) sold \$1000 in government bonds.
  - B) sold \$100 in government bonds.
  - C) purchased \$1000 in government bonds.
  - D) purchased \$100 in government bonds.
44. When a country's nominal exchange rate increases (domestic currency depreciates), the price of
- A) foreign goods sold in the country increases.
  - B) that country's goods abroad increases.
  - C) foreign goods sold in the country decreases.
  - D) that country's goods produced and sold at home increases.
45. Domestic monetary policy is essentially useless under
- A) floating exchange rates
  - B) fixed exchange rates
  - C) conditions of chronic trade surpluses
  - D) conditions of chronic trade deficits

**(二) 繪圖題，請於試卷上「非選擇題作答區」作答。(10%)**

「插翅企業的年度產量如果是在 3,000 噸與 5,000 噸間，她的固定成本是 \$15,000。這使得她在產量達到 13,000 噸以前的平均成本，始終低於她在產量僅有 100 噸時的平均成本，她的邊際成本曲線是水平線。」如果以上這句話是正確的，該企業是否有可能還有規模經濟(Economy of Scale)與規模不經濟(Diseconomy of Scale) 階段? 請繪圖標示之。

[請同學注意，希望本題列入計分有以下的必要條件]：

- a. 您只能夠畫一個圖。
- b. 在圖中，請務必標示橫軸與縱軸各是甚麼變數。
- c. 在圖中，也請務必畫出邊際成本線。
- d. 在圖中，請標示產量在未達到多少時會是規模經濟，以及產量達多少時會是規模不經濟。
- e. 規模經濟階段未必在年度產量 3,000 噸與 5,000 噸間，規模不經濟階段未必在年度產量 3,000 噸與 5,000 噸間，但是圖形橫軸請標示年度產量 3,000 噸與 5,000 噸在那裡。

**試題必須隨卷繳回**