

科目：經濟學 適用：經濟系二 經濟系三

考生注意：

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2. 答案必須寫在答案卷上，否則不予計分。
3. 限用藍、黑色筆作答；試題須隨卷繳回。

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**Multiple Question** (Each is 4 points.)

Identify the letter of the choice that best completes the statement or answers the question.

1. Which of the following represents the *best* definition of economics?
  - a) An investigation of the quantities and prices of the various goods produced by the nations of the world.
  - b) An analysis of how individuals and societies deal with the problem of scarcity.
  - c) A study of why inflation and unemployment periodically strike the U.S. economy.
  - d) An examination of the role that money plays in the economy.
  - e) A study of how goods and services are distributed throughout the world.
  
2. Which of the following decisions would *not* be part of macroeconomics?
  - a) How a higher inflation rate alters the distribution of wealth and income?
  - b) Why the 1981-82 recession had a greater impact on the unemployment rate than previous recessions did?
  - c) How the closing of a General Motors plant will affect unemployment, spending, and inflation in the United States?
  - d) The impact of extending unemployment compensation benefits on the length of a person's job search.
  - e) The impact of the 1987 stock market crash on consumers' spending.
  
3. "Any additional increases in government spending should be for defense," is a \_\_\_\_\_ statement about \_\_\_\_\_ policy.
  - a) positive; fiscal
  - b) positive; monetary
  - c) positive; structural
  - d) normative; fiscal
  - e) normative; monetary
  
4. Which of the following *cannot* be determined from a nation's position relative to the production possibilities frontier?
  - a) whether it is producing efficiently.
  - b) whether it has unemployed resources.
  - c) the price of each good illustrated.
  - d) the society's relative preferences regarding each good illustrated.
  - e) the law of increasing opportunity cost of each good illustrated.
  
5. Janis mows the lawn in 1 hour and types a paper in 1 hour. Tom mows the lawn in 2 hours and types a paper in 1 hour. Which of the following statements is *true*?
  - a) Janis has a comparative advantage in mowing the lawn.
  - b) Tom has a comparative advantage in mowing the lawn.
  - c) Janis has an absolute advantage in mowing the lawn.
  - d) Tom has an absolute advantage in mowing the lawn.
  - e) Janis has a comparative advantage in typing a paper.

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- a) Tom has an absolute advantage in typing and a comparative advantage in mowing.
- b) Janis has an absolute advantage in both activities and a comparative advantage in typing.
- c) Janis has an absolute advantage in both activities and a comparative advantage in mowing.
- d) The opportunity cost of mowing the lawn is greater for Tom than it is for Janis.
- e) Neither Janis nor Tom would gain from specialization.
6. Which of the following statements about demand is true?
- a) Since most college students want a Mercedes sports coupe, their demand for it is high.
- b) If price increases, the demand curve shifts to the right.
- c) The demand curve for bacon will not shift when the price of bacon changes.
- d) If the supply curve shifts, thereby changing the price, the demand curve will shift as well.
- e) If the demand curve shifts, the supply curve will shift as well, whether or not the price changes.
7. Supply curves generally slope upward because of all of the following except one. Which is the exception?
- a) Producers are willing to offer more of a good at higher prices.
- b) A higher price attracts resources from less-valued uses.
- c) Producers must be compensated for the rising opportunity cost of additional output.
- d) Producers have a greater incentive to sell more as the price increases.
- e) The price of a good usually must fall to induce an increase in quantity supplied.
8. The most important characteristic of the equilibrium price is that it
- a) guarantees that producers earn profit.
- b) clears the market, leaving neither a surplus nor a shortage.
- c) maximizes the quantity demanded.
- d) minimizes the quantity demanded.
- e) guarantees that all buyers who desire the product will get it.
9. Along a downward-sloping linear demand curve,
- a) slope is constant and elasticity is changing.
- b) slope is changing and elasticity is constant.
- c) both slope and elasticity are constant.
- d) both slope and elasticity are changing.
- e) no generalizations can be made about slope.

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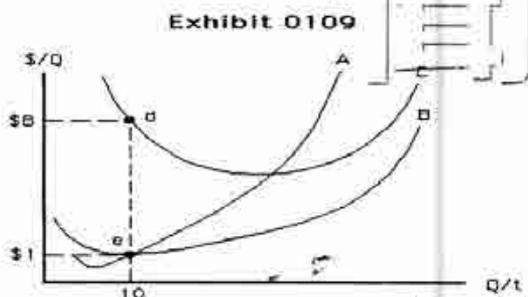
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10. Which of the following illustrates the law of diminishing marginal utility?
- a) The marginal utility of Diane's second Coke is greater than the marginal utility of her third pretzel, other things constant.
  - b) The marginal utility of Diane's second Coke is greater than the marginal utility of Ken's third pretzel, other things constant.
  - c) The marginal utility of Diane's second Coke is greater than the marginal utility of her third Coke, other things constant.
  - d) The total utility of one Coke is greater than the total utility of two Cokes, other things constant.
  - e) The marginal utility of Diane's second Coke is greater than the marginal utility of Ken's third Coke, other things constant.
11. Which of the following would *not* help identify market structure?
- a) price of the good
  - b) number of firms in the industry
  - c) type of product produced in the industry
  - d) forms of competition among firms in the industry
  - e) ease of entry into industry

12. In Exhibit 0109, when output is 10,



- a) average cost equals \$80.
  - b) fixed cost equals \$10.
  - c) variable cost equals \$70.
  - d) marginal cost equals \$10.
  - e) total cost equals \$80.
13. Tim Tupper's term paper-typing business is a perfectly competitive firm in long-run equilibrium. Which of the following does *not* describes the firm's situation?
- a. Entrepreneurs outside the industry will be eager to enter.
  - b. It will be charging a price equal to marginal cost.
  - c. It will be charging a price equal to average total cost.
  - d. It will be earning a zero economic profit.
  - e. It will be minimizing average total cost.

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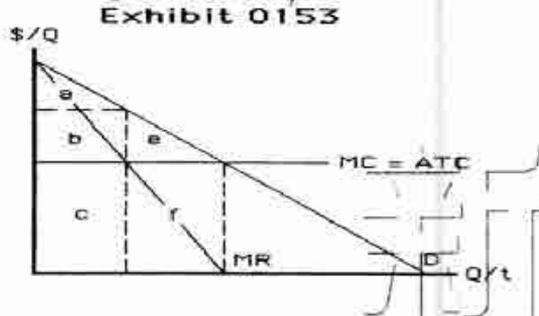
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14. According to Exhibit 0153, which of the following statements is true?



- a) Area a represents consumer surplus under perfectly competitive market.
  - b) Area a + b + e represents consumer surplus under monopoly without price discrimination.
  - c) Area a represents the amount of consumer surplus received by consumers under perfect price discrimination.
  - d) Area e represents deadweight loss with perfect price discrimination.
  - e) Area a + b + e represents monopoly profit with perfect price discrimination.
15. The purchasing power parity theory is not a good explanation of nominal exchange rate determination in the short run because
- a) there is no evidence that low inflation is association with less rapid nominal exchange rate depreciation.
  - b) there is no evidence that high inflation is associated with more rapid nominal exchange rate depreciation.
  - c) most goods and services are traded internationally and are standardized.
  - d) many goods and services are nontraded and not all traded goods are standardized.
  - e) most nominal exchange rates are fixed and foreign exchange markets do not bring the supply and demand for currencies into equilibrium.
16. Arguing that economic growth will eventually stop because we will run out of natural resources
- a) must be correct because scarcity exists.
  - b) ignores the power of markets to recognize shortages and induce changes in behavior.
  - c) will only be correct if growth takes the form of newer, more efficient goods and services.
  - d) is supported today by the fact that richer countries have fewer natural resources.
  - e) recognizes the power of markets to respond to change.

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17. The "true" costs of inflation to an economy include all of the following *except*
  - a) shoe-leather costs.
  - b) noise in the price system.
  - c) unexpected redistribution of wealth.
  - d) higher relative prices.
  - e) interference with long-term planning.
  
18. Financial systems in market economies improve the allocation of saving in each of the following ways *except* by
  - a) providing information about which potential use of funds will be most productive.
  - b) helping savers to share the risk of individual investment projects.
  - c) evaluating the potential productivity of alternative capital investments.
  - d) making savings available to risky, but potentially profitable projects.
  - e) allowing political favoritism to determine which projects are funded.
  
19. All of the following are characteristics of short-term economic fluctuations *except*
  - a) expansions and recessions are felt in only a few sectors of the economy.
  - b) expansions and recessions are irregular in length and severity.
  - c) unemployment rises during recessions.
  - d) durable-goods industries are more sensitive to short-term fluctuations than service and non-durable industries.
  - e) recessions tend to be followed by a decline in inflation.
  
20. In the basic Keynesian model all of the following are true *except*
  - a) planned consumption always equals actual consumption.
  - b) planned investment always equals actual investment.
  - c) planned government spending always equals actual government spending.
  - d) planned net exports always equal actual net exports.
  - e) planned spending equals planned aggregate expenditure.
  
21. If the self-correction process of the economy takes place very slowly, so that actual output differs from potential output for protracted periods of time, then active
  - a) stabilization policies are probably not justified.
  - b) stabilization policies may end up doing more harm than good.
  - c) use of monetary and fiscal policy can cause actual output to overshoot potential output.
  - d) use of monetary and fiscal policy can help to stabilize output.
  - e) stabilization policy can cause the output gap to become larger.

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22. Which of the following would be expected to increase the U.S. demand for money?
- a) Political instability increases dramatically in developing nations.
  - b) The economy enters a recession.
  - c) Competition among brokers forces down the commission charge for selling bonds or stocks.
  - d) On-line banking allows customers to transfer funds between checking and stock mutual funds 24 hours a day.
  - e) Financial investors become less concerned about the riskiness of stocks.
23. Monetary policy is more effective in an open economy with a flexible exchange rate than in a closed economy because in an open economy monetary policy
- a) can be more flexible -- the central bank can either raise or lower interest rates.
  - b) leads to much smaller changes in the real interest rate and thus smaller changes in consumption and investment.
  - c) leads to much larger changes in the real interest rate and thus larger changes in consumption and investment.
  - d) affects consumption and investment through the exchange rate, but also affects net exports through the interest rate.
  - e) affects consumption and investment through the interest rate, but also affects net exports through the exchange rate.
24. Which of the following is an example of an activity with an external cost?
- a) Raising honeybees where neighbors on all sides grow apples.
  - b) Speeding on the Interstate.
  - c) Reading a book.
  - d) Having to buy batteries for the new remote that came with a TV.
  - e) Keeping the front yard clean.
25. For a game involving two players with strategies X and Z, which of the following is a requirement for a prisoner's dilemma?
- a) Both players must not have a dominant strategy.
  - b) Players' outcomes should not depend on each others' strategy.
  - c) The payoff to playing the dominated strategies must be more than the payoff to their dominant strategies.
  - d) The payoff to playing the dominant strategies must be more than the payoff to their dominated strategies.
  - e) There is no Nash equilibrium.