

科目：經濟學 適用：經濟系二 經濟系三

編號：221 721

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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第 / 頁**Part A. Rationale Questions (Each is 3 points.)***Identify the letter of the choice that best completes the statement.*

1. Economics is best defined as the study of  
a) prices and quantities.  
b) inflation and interest rates.  
c) how people make choices under the conditions of scarcity and the results of the choices.  
d) graph drawing.  
e) wages and incomes.
2. You currently subscribe to two magazines and are trying to decide whether you should subscribe to a third. What should determine your decision, if you are rational?  
a) total cost of the magazines compared to the total satisfaction you would receive  
b) total amount of satisfaction you would get from the magazines  
c) enjoyment you would get out of the third magazine  
d) cost of the third magazine, including the time it takes to read it  
e) additional cost of the third magazine compared to the additional enjoyment you would get from it
3. Which of the following decisions would *not* be part of microeconomics?  
a) What college major to select.  
b) How to make the largest profit.  
c) Whether to study or watch TV tonight.  
d) How will an early freeze in California affect the price of fruit.  
e) Should the federal budget always be balanced.
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 opportunity cost of each good illustrated.  
d) the society's relative preferences regarding each good illustrated.  
e) the price of each good illustrated.
5. Economists emphasize the importance of equilibrium in markets because  
a) trading in markets can only occur at the equilibrium price and quantity.  
b) the behavior of buyers and sellers will automatically guide the market toward the equilibrium price and quantity.  
c) all buyers and sellers are better off at the equilibrium point than any other price and quantity combination.  
d) it represents a compromise between sellers hoping for low prices and

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- buyers searching for high prices.
- e) it is the only price-quantity combination that guarantees that the poorest members of society can purchase the good or service.
6. In general, "elasticity" measures
- a) the responsiveness of decision-makers to changes in prices, income, or other variables.
  - b) whether a price increase causes quantity demanded to increase or decrease.
  - c) the strength of an economy's tendency to recover from recession.
  - d) the long-run flexibility of prices in the macroeconomy.
  - e) the profitability of investment in an industry.
7. Which of the following statements concerning utility is correct?
- a) It is possible to precisely measure the utility an individual receives from consuming a particular good or service.
  - b) It is always possible to determine whether Dale or Judy gets more utility from consuming identical units of the same good.
  - c) The utility of goods can be measured while the same is not true for services.
  - d) Utility is a subjective measure of satisfaction an individual receives from consuming.
  - e) It is only useful if there is no scarcity.
8. 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
9. For a non-discriminating monopolist, what is the relationship between market price (P), average revenue (AR), marginal revenue (MR), and marginal cost (MC) at the profit-maximizing or loss-minimizing level of output?
- a)  $P = AR = MR = MC$
  - b)  $P > AR = MR > MC$
  - c)  $P > AR > MR > MC$
  - d)  $P = AR > MR = MC$
  - e)  $P = AR < MR < MC$
10. Rent seeking
- a) is the attempt to find apartments in a rent-controlled city.
  - b) only makes sense in a monopolistically competitive industry.
  - c) is a zero-sum game because the public's loss is the rent seeker's gain.

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- d) is the expenditure of resources to obtain favorable treatment from government.
- e) occurs because of cyclical majority.
11. 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 associated 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.
12. Which of the following changes would cause American net exports to increase?
- a) an increase in foreign income
  - b) an increase in American income
  - c) an increase in the real value of the dollar
  - d) a shift in demand by American consumers away from domestically produced goods
  - e) all of the above
13. If a country has an overvaluation problem, the best solution is to
- a) decrease the money supply.
  - b) increase the official rate.
  - c) decrease the fundamental value.
  - d) buy less of its currency in the foreign exchange market.
  - e) sell more of its currency in the foreign exchange market.
14. Critics of the real business cycles (RBC) approach argue that it is hard to find productivity shocks large enough to cause business cycles. What is the RBC counterargument to this criticism?
- a) Business cycles are always and everywhere a monetary phenomenon.
  - b) Wars and military buildups could be considered productivity shocks.
  - c) Business cycles could be caused by the accumulation of small productivity shocks.
  - d) Business cycles are often caused by unobservable productivity shocks, which aren't apparent at the time they occur.
  - e) all of the above

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15. In the Keynesian model with efficiency wages,
- a) the full-employment line is determined where the quantity of labor demanded equals the quantity of labor supplied.
  - b) the full-employment level is determined at the intersection of the labor demand curve and the efficiency wage line.
  - c) an increase in labor supply increases employment.
  - d) a decrease in labor supply shifts the *FE* line to the left.
  - e) the full-employment level is not possible to be determined.
16. Which of the following changes would lead, according to the Solow model, to a higher level of long-run output per worker?
- a) a lower level of capital per worker.
  - b) a decrease in productivity.
  - c) a rise in the rate of population growth.
  - d) an increase in the depreciation rate.
  - e) an increase in the saving rate.
17. According to the misperceptions theory, the amount by which producers increase their output when the general price level rises depends on
- a) the slope of the aggregate demand curve.
  - b) the slope of the long-run aggregate supply curve.
  - c) the size of the Solow residual.
  - d) how much they think their relative prices have increased.
  - e) all of the above.
18. Assuming money neutrality in the classical model, a 10% increase in the nominal money supply would cause
- a) a 10% increase in the real money supply.
  - b) a 10% decrease in the real money supply.
  - c) no change in the real money supply.
  - d) a 10% decrease in the price level.
  - e) a less-than-10% change in the price level due to a shift in the aggregate supply curve.
19. Which of the following statement uses economists' definition of money?
- a) Bill Gates is rich because he has a lot of money.
  - b) Xena earned \$100 last week.
  - c) When Evita goes to the 7-11 store, she does not have enough money.
  - d) all of the above.
  - e) none of the above.
20. Which of the following is the most likely explanation for the causes behind the "case of the missing money"?
- a) Higher prices in the 1970s reduced the demand for money.
  - b) Financial innovations, such as money market mutual funds, changed

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- the demand for narrow definitions of money such as M1.
- c) Government deficits increased the demand for money, draining it out of the private sector.
  - d) Increases in Eurodollar deposits drew money out of the American banking system.
  - e) none of the above.

**Part B. Fill-in and Computation Questions (Each is 4 points.)***Identify the letter of the choice that best answers the question.*

1. "Privatization of government owned industries is likely to increase unemployment in the short run" is a \_\_\_\_\_ statement about \_\_\_\_\_ policy.
  - a) positive; fiscal
  - b) positive; monetary
  - c) positive; structural
  - d) normative; fiscal
  - e) normative; monetary
2. If there's an increase in the future marginal product of capital in a large open economy, it causes the current account to \_\_\_\_\_ and saving to \_\_\_\_\_.
  - a) fall; rise
  - b) rise; remain unchanged
  - c) fall; remain unchanged
  - d) rise; rise
  - e) none of the above
3. In the extended classical model, an anticipated decrease in the money supply would cause output to \_\_\_\_\_ and the price level to \_\_\_\_\_ in the short run.
  - a) increase; decrease
  - b) increase; not change
  - c) not change; increase
  - d) not change; decrease
  - e) none of the above
4. Stock prices decrease when expected future dividends \_\_\_\_\_, interest rates \_\_\_\_\_, and/or the risk premium \_\_\_\_\_.
  - a) increase; increase; increases
  - b) increase; increase; decreases
  - c) decrease; decrease; increases
  - d) increase; decrease; decreases
  - e) decrease; increase; increases



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5. Either skilled or unskilled workers can be used to produce posters. The marginal product of skilled workers measured in terms of posters produced per day, equals  $100 - N^S$ , where  $N^S$  is the number of skilled workers employed. Similarly, the marginal product of unskilled workers measured in terms of posters produced per day, equals  $50 - N^U$ , where  $N^U$  is the number of unskilled workers employed. The posters sell for \$5 each. There are 25 skilled workers and 25 unskilled workers (the labor supply curves for both groups are vertical). If technology changes the marginal product of skilled workers to  $150 - N^S$  but leaves the marginal product of unskilled workers unchanged, then when all the workers are employed the wages of skilled workers will increase from \_\_\_\_\_ to \_\_\_\_\_ and the wages of unskilled workers will be unchanged at \_\_\_\_\_.
- a) \$125; \$200; \$125
  - b) \$375; \$625; \$125
  - c) \$375; \$750; \$125
  - d) \$500; \$625; \$250
  - e) \$500; \$750; \$250

6. Members of the Federal Reserve and First bank are both vying for promotions. Federal Reserve members receive promotions if they keep interest rates and unemployment low. First bank officers receive promotions if they make loans with few defaults. In case A the Fed keeps money growth low, minimizing inflation, but hurting growth; and in case B they allow faster money growth, which reduces interest rates, but increases inflation in the long run. In case C First bank officers make few loans, minimizing the variability of profits; and in case D they make many loans, increasing the variability of profits. The possible outcomes and promotions are listed below.

Outcome	Promotions	
	Fed	First bank
(A, C)	10	10
(A, D)	20	5
(B, C)	5	20
(B, D)	15	15

Assume members of the Fed and First bank don't care whether other people receive promotions. If the Fed makes their policy move first, what action will each bank take?

- a) (A, C)
- b) (A, D)
- c) (B, C)
- d) (B, D)
- e) none of the above

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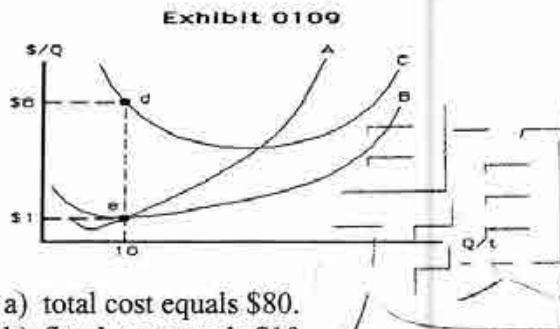
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7. Machine A costs \$15,000 and depreciates at a 25% rate, machine B costs \$10,000 and depreciates at a 20% rate, machine C costs \$20,000 and depreciates at a 10% rate, and machine D costs \$17,000 and depreciates at an 11% rate. The expected real interest rate is 5%. Which machine has the *lowest* user cost?
- a) machine A
  - b) machine B
  - c) machine C
  - d) machine D
  - e) all machines are the same
8. Suppose you have \$30 to spend on either bowling or billiards. A game of billiards has a price of \$4, and bowling has a price of \$2 per game. Using the information in Exhibit 0083, figure out the utility-maximizing combination of bowling and billiards.

**Exhibit 0083**

Quantity	Total utility	
	Games of billiards	Games of bowling
0	0	0
1	100	70
2	180	130
3	240	180
4	272	210
5	288	218
6	292	222

- a) four billiards games, four games of bowling
  - b) five billiards games, two games of bowling
  - c) three billiards games, eight games of bowling
  - d) five billiards games, five games of bowling
  - e) twelve games of bowling
9. In Exhibit 0109, when output is 10,



- a) total cost equals \$80.
- b) fixed cost equals \$10.
- c) variable cost equals \$70.
- d) marginal cost equals \$10.
- e) fixed cost equals \$7.

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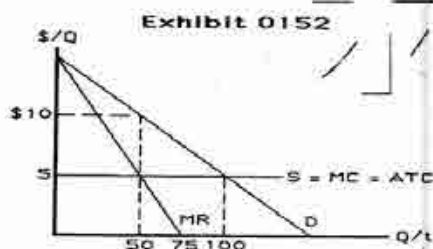
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10. Exhibit 0152 depicts the cost and demand conditions facing a profit-maximizing monopolist that does not price discriminate. Which of the following statements is true?



- a) An output of 50 is allocatively efficient, but the monopolist will produce 100 units.
- b) An output of 50 is allocatively efficient, but the monopolist will produce 75 units.
- c) An output of 75 is allocatively efficient, but the monopolist will produce 100 units.
- d) An output of 100 is allocatively efficient, but the monopolist will produce 50 units.
- e) An output of 100 is allocatively efficient, but the monopolist will produce 75 units.

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