

科目：個體經濟學 適用：經濟系三

考生注意：

1. 依次序作答，只要標明題號，不必抄題。
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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編號： 721

1. Please explain what a Giffen good is in term of evaluating substitution and income effects. (20%)

2. Suppose Boeing and Airbus are both considering expanding their plant capacity as a strategic move but can't observe their opponent's move until their own move has been determined. The following are time-discounted values of all future profit streams in billion of dollars.

		Airbus	
		Expand	Don't expand
Boeing	Expand	(0.40, 0.30)	(1.20, 0.60)
	Don't expand	(0.60, 1.50)	(1.0, 0.90)

Which strategies are Nash equilibriums? (20%)

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3. In a certain industry, the supply curve of any firm is

$s_i(p) = p/2$. If a firm produces 5 units of output, what are its total variable costs? (20%)

4. There are two firms in steel industry; their supply curves are

$s_1(p) = p - 20$ and $s_2(p) = p - 15$. Please draw a diagram to

show the industry supply curve. (20%)

5. What is the effect of a subsidy in a market with a horizontal supply curve? What a vertical supply curve? (20%)

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