

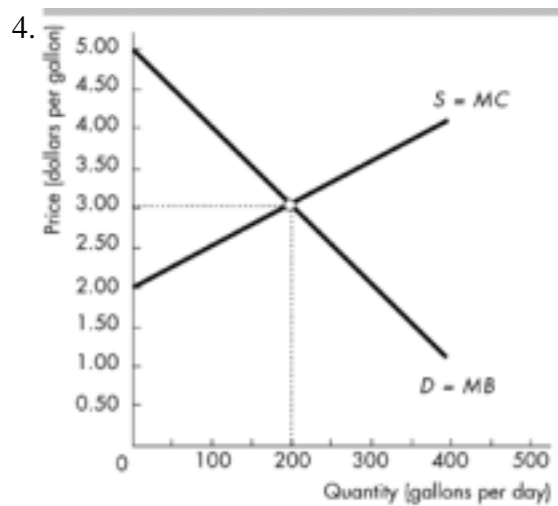
國立嘉義大學九十四學年度轉學生招生考試試題

科目：經濟學

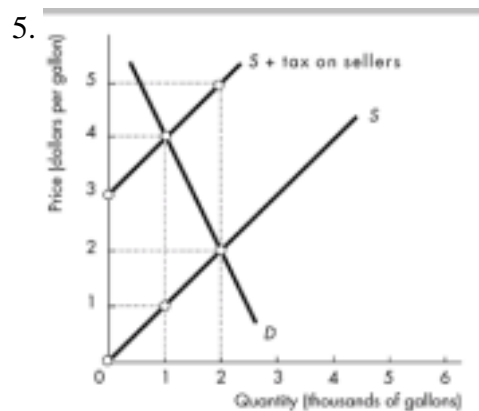
請將答案寫在答案卷上

一、選擇題(單選，每題2分)

1. The "law of demand" refers to the fact that, all other things remaining constant on the demand side of the market, when the price of a good rises _____
(A) there will be a movement up along the demand curve to a smaller quantity demanded.
(B) the demand curve will shift rightward.
(C) the demand curve will shift leftward.
(D) there will be a movement down along the demand curve to a larger quantity demanded.
2. Which of the following increases the equilibrium price of a used car and decreases the equilibrium quantity sold?
(A) new federal legislation that raises the legal driving age to twenty-four in all states
(B) a new fee that used car dealers must pay to the government on all sales of used cars
(C) an announcement by the U.S. Attorney General that the windows on older cars were made with cheaper glass that can explode at high speeds
(D) All of the above because each is consistent with the "law of demand".
3. Which of the following goods would best be described as being in perfectly inelastic supply?
(A) insulin (B) compact discs by Bush (C) Diet Pepsi (D) the original portrait of "Whistler's Mother"



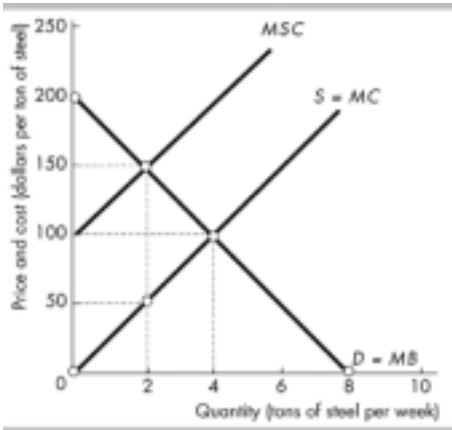
The figure above shows the market for milk. When the efficient quantity of milk is produced, the marginal cost of the last gallon is _____
(A) \$3.00. (B) \$2.50. (C) \$2.00. (D) \$3.50.



The above figure shows the market for anti-freeze. The government imposes a sales tax on sellers. Using the figure, what is the amount of the tax?
(A) \$1 per gallon (B) \$2 per gallon (C) \$4 per gallon (D) \$3 per gallon

6. You are at your consumer equilibrium. Hot dogs and hamburgers have the same marginal utility. Thus _____
(A) you must be eating the same number of hot dogs and hamburgers.
(B) the price of a hot dog and the price of a hamburger must be the same.
(C) your total utility from all previous hot dogs eaten must be the same as your total utility from all previous hamburgers eaten.
(D) Both answers B and C are correct.
7. Sam buys gasoline and coffee each week. In order to draw his budget line between gasoline and coffee, Sam would have to know _____
(A) both how much income he has to spend and the prices of one gallon of gasoline and one pound of coffee.
(B) only how much gasoline he wants to buy and how much coffee he wants to drink.
(C) only how much income he has available to spend on gasoline and coffee.
(D) only the prices of one gallon of gasoline and one pound of coffee.
8. Suppose that there are 10 firms in an industry, each accounting for 10 percent of industry sales. Two of these firms decide to merge. Which of the following statements about the impact of this merger are incorrect?
(A) The merger causes the HHI to increase by 100.
(B) The merger causes the four-firm concentration ratio to increase from 40 to 50.
(C) The merger will not change the HHI unless the industry's sales increase.
(D) Both answers A and C are incorrect.
9. Suppose firms in a perfectly competitive industry are earning economic profits. As a result,
I. new firms enter the industry.
II. the market price falls.
III. the economic profits of the existing firms eventually decreases.
(A) I and II (B) I and III. (C) II and III (D) I, II and III

10.



The above figure shows the marginal benefit, marginal private cost and marginal social cost of producing steel. If the market is competitive, what government policy might move the market closer to efficiency?

- (A) The government could issue vouchers to steel consumers.
- (B) The government could subsidize the production of steel.
- (C) The government could tax the production of steel.
- (D) None of the above answers is correct.

11. Which of the following is the BEST example of a public good?

- (A) national defense
- (B) fish in the ocean
- (C) cable television
- (D) a can of Mountain Dew

12. A decrease in the price of a firm's output _____

- (A) shifts the firm's demand for labor curve rightward.
- (B) results in the firm increasing the amount of output it produces.
- (C) raises the marginal revenue product of each unit of labor.
- (D) None of the above is correct.

13.

Wage (dollars per week)	Quantity of labor supplied (naturalists)	Marginal revenue product (dollars)
200	0	
250	1	850
300	2	750
350	3	650
400	4	550
450	5	450
500	6	350

Pointy Stone State Park is the sole employer of naturalists in the area. The table above provides information about the supply of naturalists and the marginal revenue product of labor for naturalists. If as a result of a minimum wage law Pointy Stone State Park were required to pay its naturalists \$450 per week then the employment of naturalists by Pointy Stone State Park will _____

- (A) decrease.
- (B) not change.
- (C) increase.
- (D) Any of the above are possible results.

14. In the used car market without warranties, adverse selection results in _____

- (A) only lemons being available for sale.
- (B) the market price of used cars equal to that of good used cars.
- (C) sellers of "lemons" claiming that their car is a lemon.
- (D) all of the above

15. Increasing opportunity cost while moving along a production possibilities frontier is the result of _____

- (A) the fact that it is more difficult to use resources efficiently the more society produces.
- (B) the fact that resources are not equally productive in alternative uses.
- (C) firms' needs to produce profits.
- (D) taxes.

16. If the U.S. Surgeon General announced that increased grapefruit juice consumption could cause lower cholesterol levels, what would happen to the equilibrium price and quantity of grapefruit juice?

- (A) Price decreases but quantity increases.
- (B) Price and quantity both decrease.
- (C) Price increases but quantity decreases.
- (D) Price and quantity both increase.

17. As a result of an apartment shortage caused by a rent ceiling, which of the following occurs?

- (A) a gain of both consumer and producer surplus
- (B) only a loss of consumer surplus for tenants
- (C) a loss of both consumer and producer surplus
- (D) only a loss of producer surplus for landlords

18. The principle of diminishing marginal utility implies that _____

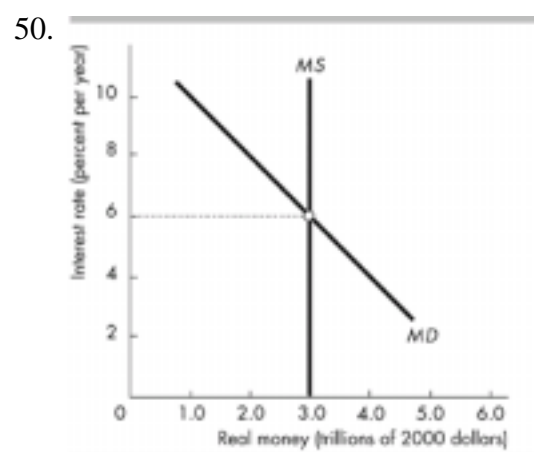
- (A) the total utility from a product is also diminishing.
- (B) the marginal utility of a product is negative.
- (C) the rate of change of total utility is diminishing.
- (D) the rate of change of marginal utility is very low.

19. Which of the following statements about the marginal rate of substitution is NOT correct?

- (A) It measures the number of units of the good on the horizontal axis that a consumer must be compensated with to give up a unit of the good on the vertical axis, while remaining on the same indifference curve.
- (B) It decreases in value when moving downward along a typical-shaped indifference curve.
- (C) It is constant for goods that are perfect substitutes.
- (D) It is measured by the slope of the indifference curve.

20. Which of the following would lead the AVC curve to shift upward at Barney's Bagel Bakery?
 (A) an increase in the fixed amount of local property tax that Barney pays on the building he owns and uses
 (B) an increase in Barney's daily output from hiring more workers
 (C) an increase in the hourly wage that Barney pays his workers
 (D) all of the above
21. In the absence of cost inflation, rate of return regulation sets the price for the regulated firm's service _____.
 (A) below its average variable cost. (B) equal to its average total cost.
 (C) above its average total cost. (D) equal to its average variable cost.
22. When production of a good results in an external cost, the unregulated competitive market equilibrium is inefficient because _____.
 (A) $MSC = MB$ (B) $MSC < MB$ (C) $MSC > MB$ (D) $MSC = MC$
23. Private markets will not provide the efficient quantity of a public good because _____.
 (A) of the principle of minimum differentiation. (B) public goods are rival and excludable.
 (C) of the free-rider problem. (D) of rational ignorance.
24. Jose owns a local coffee shop. When Jose calculates how his total revenue changes in response to hiring an extra worker, Jose is calculating the _____.
 (A) marginal revenue. (B) total revenue. (C) marginal revenue product of labor. (D) marginal product of labor.
25. According to the principle of comparative advantage, if a rich country trades with a poor country, then _____.
 (A) the rich country will lose and the poor country will benefit.
 (B) the rich country will benefit and the poor country will lose.
 (C) both countries will benefit.
 (D) neither of the countries will benefit.
26. Business cycles are _____.
 (A) unpredictable, and don't always have two phases and two turning points.
 (B) predictable, with a recession following a trough.
 (C) unpredictable, but always have two phases and two turning points.
 (D) irregular, with some having two recessions and no expansion.
27. What we produce during our working time is _____ as part of GDP and the enjoyment we gain from our leisure time is _____ as part of GDP.
 (A) not included; not included (B) included; not included (C) not included; included (D) included; included
28. If a worker is temporarily laid off because the economy is in a recession, _____.
 (A) frictional unemployment increases. (B) the size of the labor force rises.
 (C) cyclical unemployment increases. (D) structural unemployment increases.
29. A decrease in the quantity of money _____.
 (A) increases aggregate demand. (B) decreases aggregate demand.
 (C) increases the aggregate quantity demanded. (D) decreases the aggregate quantity demanded.
30. A fall in the real interest rate _____.
 (A) shifts the investment demand curve rightward.
 (B) results in a movement along the investment demand curve.
 (C) has no effect on the investment demand curve
 (D) shifts the investment demand curve leftward.
31. Classical growth theory predicts that _____.
 (A) technological progress increases the demand for labor, driving up real wages, and then population growth rises, driving down real wages to their subsistence level.
 (B) technological progress decreases the demand for labor.
 (C) technological progress increases the demand for labor, driving down real wages, and then population growth rises, driving up real wages to their subsistence level.
 (D) the supply of labor decreases as real wages rise.
32. When bank deposits increase from \$1 million to \$2 million, bank reserves increase from \$100,000 to \$200,000. If banks hold no excess reserves, then the required reserve ratio is _____.
 (A) 10.0 (B) 0.10 (C) 0.25 (D) 1.00
33. Monetary policy is conducted _____.
 (A) only by the Federal Reserve.
 (B) by the Federal Reserve with veto power residing with the President of the United States.
 (C) by the Federal Reserve and the President of the United States.
 (D) by the Federal Reserve, the President of the United States, and Congress.
34. The quantity theory of money predicts how changes in _____.
 (A) the price level affect nominal GDP. (B) real GDP affect the nominal GDP.
 (C) the quantity of money affect the price level. (D) the price level affect real GDP.
35. Initially the nominal interest rate is 8 percent and the inflation rate is 5 percent. People know that the inflation rate increases to 10 percent. What is the new nominal interest rate?
 (A) 13 percent (B) 8 percent (C) 3 percent (D) 11 percent
36. Moving along a short-run Phillips curve, _____.
 (A) the expected inflation rate is constant. (B) the inflation rate is constant. (C) the price level is constant. (D) unemployment is constant.

37. Given an MPC of 0.80, if there are no income taxes or imports and prices are constant, then when investment increases by \$50 million, equilibrium GDP would _____
 (A) increase by \$250 million. (B) increase by \$400 million.
 (C) increase by \$50 million. (D) To answer the question more information on income is needed.
38. Which of the following events will make the consumption function steeper?
 (A) an increase in disposable income (B) an increase in unplanned inventory investment
 (C) an increase in the marginal propensity to consume (D) an increase in real GDP
39. All of the following are government expenditure items EXCEPT _____
 (A) transfer payments. (B) purchases of corporate bonds.
 (C) interest on the government's debt. (D) purchases of goods and services.
40. Suppose that initially real GDP equals potential GDP at \$11 trillion and that the initial price level is 120. Then an increase in short-run aggregate supply occurs. The feedback rule being followed targets real GDP: Decrease the quantity of money whenever there is an increase in real GDP. As a result, real GDP _____ \$11 trillion and the price level _____ 120.
 (A) is less than; equals (B) equals; is greater than
 (C) is less than; is greater than (D) is less than; is less than
41. If the CPI was 132.5 at the end of 2003 and 137.5 at the end of 2004, the inflation rate over these two years was _____
 (A) 5.0 percent. (B) 3.6 percent. (C) 3.8 percent. (D) None of the above answers is correct.
42. A change in the capital stock _____ the short-run aggregate supply curve and _____ the long-run aggregate supply curve.
 (A) shifts; does not shift (B) does not shift; shifts (C) shifts; shifts (D) does not shift; does not shift
43. The quantity theory of money addresses the _____
 (A) long-run effect the quantity of money has on the price level. (B) determinants of potential GDP.
 (C) short-run effect the quantity of money has on the price level. (D) determinants of the equilibrium unemployment rate.
44. When the inflation rate is negative, the _____
 (A) real interest rate equals the nominal interest rate. (B) real interest rate is less than the nominal interest rate.
 (C) nominal interest rate is zero. (D) real interest rate is greater than the nominal interest rate.
45. In the new Keynesian business cycle theory, _____ can effect real GDP.
 (A) only unanticipated changes in the money wage rate (B) only unanticipated changes in aggregate demand
 (C) only anticipated changes in aggregate demand (D) anticipated and unanticipated changes in aggregate demand
46. A fixed-rule policy specifies _____.
 (A) which action occurs because of the economic state (B) only the growth rate of money
 (C) how policy should respond to high unemployment rates (D) which action is to occur independently of the economic state
47. If a country has a capital account surplus, that country's stock of international indebtedness is _____
 (A) increasing. (B) zero. (C) constant. (D) decreasing.
48. Pollution is a by-product of some production processes, so real GDP as measured _____
 (A) tends to overstate economic welfare.
 (B) is adjusted upward to take into account the expenditures that will be made in the future to clean up the pollution.
 (C) tends to understate economic welfare.
 (D) is adjusted downward to take into account the pollution.
49. Which of the following changes while moving along the aggregate demand curve?
 (A) future profits from investment projects (B) future incomes of households
 (C) the amount of money in the economy (D) the price level



- The figure above shows the money market in Futureland. If the Bank of Futureland undertakes an open market sale of government securities that changes the quantity of money by \$1 trillion, then the interest rate will _____.
 (A) remain at 6 percent a year (B) rise to 8 percent a year
 (C) fall to 4 percent a year (D) None of the above answers is correct.