

國立中正大學

110 學年度碩士班招生考試

試題

[第 3 節]

科目名稱	經濟學
系所組別	財務金融學系

—作答注意事項—

※作答前請先核對「試題」、「試卷」與「准考證」之系所組別、科目名稱是否相符。

1. 預備鈴響時即可入場，但至考試開始鈴響前，不得翻閱試題，並不得書寫、畫記、作答。
2. 考試開始鈴響時，即可開始作答；考試結束鈴響畢，應即停止作答。
3. 入場後於考試開始 40 分鐘內不得離場。
4. 全部答題均須在試卷（答案卷）作答區內完成。
5. 試卷作答限用藍色或黑色筆（含鉛筆）書寫。
6. 試題須隨試卷繳還。

PART I. Multiple Choice (單選題，共 25 題，每題 3 分)：75%

1. The factor(s) which cause(s) a movement along the demand curve include(s):
 - A) decrease in price of the good demanded.
 - B) decrease in price of complementary goods.
 - C) increase in consumer disposable income
 - D) increase in level of advertising.
 - E) All of the above

2. Which of the following statements concerning the price elasticity of demand is (are) true?
 - A) The greater the number of substitute goods, the more price elastic the demand for the product.
 - B) The demand for durable goods tends to be more price elastic than the demand for nondurables.
 - C) The demand for relatively low-price goods tends to be more price elastic than the demand for expensive items.
 - D) A and B only
 - E) A, B, and C

3. If price exceeds average costs under pure competition, _____ firms will enter the industry, supply will _____, the price will be driven _____.
 - A) more; decrease; down
 - B) more; decrease; up
 - C) more; increase; down
 - D) more; increase; up
 - E) None of the above

4. A firm in pure competition would shut down when:
 - A) price is less than average total costs.
 - B) price is less than average fixed costs.
 - C) price is less than marginal costs.
 - D) price is less than average variable costs.
 - E) price is less than average variable costs but higher than average fixed costs.

5. All of the following are mechanisms which reduce the *adverse selection* problem EXCEPT:
 - A) warranties from established enterprises with non-deployable assets.
 - B) high interest rates.
 - C) large collateral requirements.
 - D) brand names and product-specific promotions and retail displays.
 - E) higher prices in repeat customer transactions.

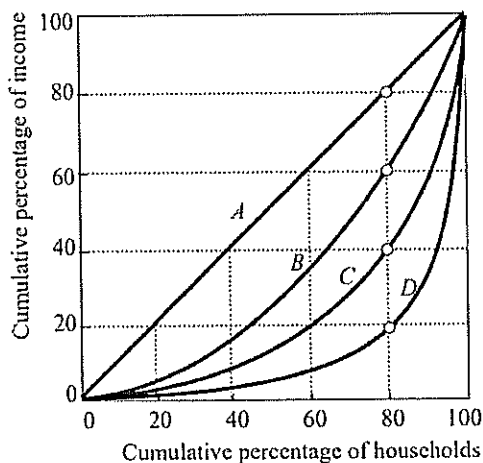
6. If a cartel seeks to maximize profits, the market share (or quota) for each firm should be set at a level such that the _____ of all firms is identical.
 - A) average total costs
 - B) average profits
 - C) marginal profits
 - D) marginal costs
 - E) marginal revenues

7. An increase in a rich man's wealth from \$2 million to \$4 million raises his utility from 400 units to 500 units. If he has a utility of wealth curve with the typical shape showing *risk aversion*, then with a wealth of \$6 million his utility might be:

14. Which of the following factors is NOT believed to affect output in the long run?

- A) Monetary policy.
- B) Technology.
- C) The size of the labor force.
- D) The capital stock.
- E) None of the above.

15. In the figure underneath, the Lorenz curve that shows the richest 20 of household percent receiving 60 percent of all income is:



percent of all income is:

- A) curve A.
- B) curve B.
- C) curve C.
- D) curve D.
- E) None of the above

16. Suppose the central bank wishes to conduct expansionary monetary policy. Given this, we would expect which of the following to occur?

- A) A central bank purchase of bonds and an increase in the interest rate.
- B) A central bank purchase of bonds and a reduction in the interest rate.
- C) A central bank sale of bonds and an increase in the interest rate.
- D) A central bank sale of bonds and a reduction in the interest rate.
- E) Both B and D

17. Suppose there is a simultaneous tax cut and open market sale of bonds. Which of the following MUST occur as a result of this?

- A) Output increases.
- B) Output decreases.
- C) The interest rate increases.
- D) The interest rate decreases.
- E) Both output and the interest rate increases.

18. "Money is neutral" means that a change in the money supply:

- A) will make society neither more nor less moral that it was before.
- B) will not change output in the short run.
- C) will not change output in the medium run.
- D) will not change the price level in the short run.
- E) will not change the price level in the medium run.

19. If output per capita grows by a constant 6% per year, then the standard of living would grow by about _____ over 3 years.

- A) 12%
- B) 17%
- C) 18%
- D) 19%
- E) 20%

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20. When a given country has a current account surplus, we know that it is also:
- A) lending to the rest of the world.
 - B) borrowing from the rest of the world.
 - C) running a balanced trade account.
 - D) suffering from negative investment income.
 - E) None of the above
21. Taiwan's largest trading partner is:
- A) China
 - B) USA
 - C) Japan
 - D) European Union (including UK)
 - E) ASEAN
22. An increase in the real exchange rate indicates that:
- A) foreign goods are now relatively cheaper.
 - B) foreign goods are now relatively more expensive.
 - C) domestic goods are now relatively more expensive.
 - D) It depends on the relative price levels between countries.
 - E) Both A and C
23. Suppose there is an increase in government spending. This change in government spending will have a greater impact on net exports when:
- A) the sensitivity of investment to income is small.
 - B) the economy is closed.
 - C) the marginal propensity to import is smaller.
 - D) All of the above
 - E) None of the above
24. Under fixed exchange rates and perfect capital mobility, which of the following must occur if the policy to peg a foreign currency is credible?
- A) The domestic and foreign interest rates must be equal
 - B) The central bank cannot use monetary policy to affect domestic output.
 - C) A contractionary fiscal policy will require that the central bank decreases the money supply.
 - D) All of the above
 - E) None of the above
25. Suppose that policy makers devalue the currency. Which of the following will occur in the medium run as a result of this devaluation?
- A) An increase in net exports.
 - B) An increase in the price level.
 - C) An increase in output.
 - D) All of the above
 - E) None of the above

II. ESSAY QUESTIONS (問答題, 共 3 題): 25%

1. A gas company feels that it is faced with the following segmented demand function for its products:

$$P = \begin{cases} 10 - 0.1Q & \text{when } 0 \leq Q \leq 20 \\ 12 - 0.2Q & \text{when } Q > 20 \end{cases}$$

where Q is the number of liter sold and P is the price per liter.

- (1) Why is such a segmented demand function likely to exist? What type of industry structure is indicated by this relationship? (5%)
- (2) Determine the company's marginal revenue function. (5%)
- (3) Given that the company's total cost function is

$$TC = 80 + 2.6Q + 0.05Q^2$$

determine its profit maximizing price and output level. (5%)

2. Briefly explain the possible link between movements in stock prices and the economy (GDP). (5%)
3. A man's utility of wealth is 65 units at \$3,000, 80 units at \$5,000, and 95 units at \$9,000. Starting from zero wealth, he must choose between options A and B:
 - Option A gives him \$5,000 for sure;
 - Option B gives him \$3,000 with probability 0.5 or \$9,000 with probability 0.5.
 Explain which option he will choose. (5%)