

注意：本試卷共有四頁。請考生答題前，務必閱讀每大項的注意事項說明！

第一部份：選擇題（60分）

- (1) 依照題號順序，將答案寫在答案卷第一頁「選擇題作答區」對應題號的空格內（第1~30格）。
- (2) 第1~10題為複選題，第11~30題為單選題。

For each of Questions 1-10, which of the following four market structures is (are) consistent with what is described in the question?

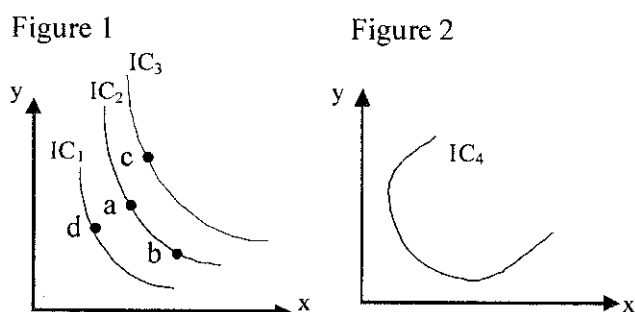
(A) Perfect competition (B) Monopoly (C) Monopolistic competition (D) Oligopoly

1. Every individual firm certainly produces differentiated products.
 2. Barriers to entry into the market exist or barriers to exit of the market exist.
 3. A firm's residual demand curve is identical to its marginal revenue curve.
 4. Every individual firm has excess capacity.
 5. Product differentiation is the only way to have the monopoly power for a firm.
 6. A firm's output quantity creates the maximum profit for the firm when the market price equals its marginal cost when the market price equals its marginal cost.
 7. The behavior of any individual firm depends on the firm's expectation on the reactions of all the others in the industry.
 8. Non-price strategies such as advertising and sales services are certainly not a choice for firms.
 9. As long as output is positive, a firm's equilibrium price will be higher than its marginal revenue.
 10. Which of the four market structures has the highest total output?
11. Which of the following statements is correct? (A) The average product starts to be decreasing after its highest level, which implies the law of diminishing returns. (B) The law of diminishing returns appears because of the constraints of the fixed long-run inputs. (C) When the law of diminishing returns appears, the total product starts to be decreasing. (D) When the law of diminishing returns appears, the average product is decreasing. (E) When the average product is decreasing, the law of diminishing returns exists.
12. Assume the marginal product of labor (MP_L) = 12, the marginal product of capital (MP_K) = 15, the price of labor (P_L) = 5, and the price of capital (P_K) = 4. Which of the following statements is correct? (A) Because of $MP_L P_L = MP_K P_K$, the firm achieves the minimum cost. (B) Because of $MP_L/P_L < MP_K/P_K$, the firm will employ more labors and/or less capitals to achieve the minimum cost. (C) Because of $P_L/P_L < MP_K/P_K$, the firm will employ less labors and/or more capitals to achieve the minimum cost. (D) Because of $MP_L/MP_K < P_L/P_K$, the firm will employ more labors and/or less capitals to achieve the minimum cost. (E) None of the above.
13. Which of the following statement concerning a firm's short-run cost is correct? (A) The short-run fixed inputs are the cause of a firm's variable cost. (B) The average fixed cost is decreasing with the output scale. (C) The average variable cost is decreasing with the output scale. (D) Given any scale of the output, the average cost is greater than the marginal cost for a firm. (E) Given any scale of the output, the average variable cost is greater than the average fixed cost for a firm.
14. Which of the following statements is correct? (A) In the short run, a firm will shut down when its profit is negative. (B) In the short run, a firm may shut down when its profit is positive. (C) In the short run, a firm will shut down when its revenue is less than the variable cost. (D) Since the fixed cost is greater than the variable cost in the long run, a firm will not shut down in the long run if its revenue is greater than the fixed cost. (E) None of the above.
15. Which of the following statements is correct? (A) For a straight-line demand curve, the price elasticity of demand increases when the quantity demanded increases. (B) Suppose two demand curves intersect at point A, then the price of demand elasticity at point A for the two demands is the same. (C) For a market with elastic demand, the increase of the price increases the revenue. (D) When the government sets policy for free import of cars, the demand elasticity of the domestic market for cars increases. (E) None of the above.

第2節

第2頁，共4頁

16. Refer to figure 1 and figure 2 below which depict the indifference curves for consumption bundle x and y . Which statement of the following is correct? (A) Indifference curve IC_2 has a higher marginal utility than IC_1 , which is due to the property of positive marginal utility. (B) "More is better" leads to the shape of IC_4 . (C) If the equilibrium consumption is $(x, y) = (5, 5)$, then the marginal rate of substitution of y for x equals 1. (D) That the marginal rate of substitution of y for x at point a is larger than that at point b can be explained by the law of diminishing marginal utility.



17. Assume Jack is initially in equilibrium for consumption of x and y . x is a normal good, while y is an inferior good. The price of x falls. For Jack to move to a new equilibrium point, (A) the consumption of both x and y must decrease. (B) the consumption of x must decrease. (C) the consumption of x must increase. (D) the consumption of both x and y must increase.
18. In good x market, price elasticity of supply is 0, price elasticity of demand is 1.4, income elasticity = -1.2, and cross elasticity of demand between goods x and y is 0. Then (A) x is a normal good. (B) 1% increase in price causes 1.4% increase in quantity. (C) x and y are complementary goods. (D) supply curve is vertical. (E) all of the above are correct.
19. Which of the following is a final good? (A) The memory chips in your new smart phone. (B) A share of IBM stock. (C) The security system bought by the Taiwan Stock Exchange. (D) Flour used by the bakery to bake cookies.
20. Considering that percentage changes in the CPI (Consumer Price Index) tend to overstate inflation, if the government wants to increase social benefits to the elderly each year by an amount that allows the elderly to maintain the same standard of living, the percentage change in benefits should be (A) somewhat smaller than the percentage change in the CPI. (B) somewhat greater than the percentage change in the CPI. (C) somewhat smaller than the percentage change in the inflation rate. (D) somewhat greater than the percentage change in the inflation rate.
21. Which of the following transactions is viewed as investment to the national income? (A) An investor buys \$1,000 of government bonds. (B) A carpenter builds himself a log cabin. (C) Taipei Fine Arts Museum buys a painting by Picasso for \$20 million. (D) Your family buys a newly constructed home.
22. Suppose the index of leading economic indicators falls. Economic forecasters will expect all of the following to occur EXCEPT (A) the unemployment rate will rise. (B) the growth rate of real output will decrease. (C) inflation will increase. (D) the growth rate of tax revenue will decrease.
23. Zero percent unemployment is an unrealistic and perhaps undesirable policy goal for all of the following reasons EXCEPT (A) it takes time to match jobs and workers. (B) it would be inhumane to force the elderly to work. (C) minimum wage laws restrict employment opportunities. (D) some of the unemployed are unwilling to work at jobs that are available to them.
24. The term "crowding out" relates to the decrease in (A) consumption expenditure from an increase in investment. (B) the real interest rate from a government budget deficit. (C) private investment from a government budget deficit. (D) saving from an increase in disposable income.
25. Between 2007 and 2011 the Federal Reserve Banks' practice of quantitative easing almost tripled the monetary base. The money supply, however, rose by a much smaller percentage because there was a dramatic increase in (A) the currency drain ratio. (B) the reserve requirements. (C) banks excessive reserves. (D) Both b and c are correct.
26. During the credit boom of 2004-2007 banks may have taken excessive risk because they expected that the government would bail them out, if necessary. This is an example of (A) asset diversification. (B) adverse selection. (C) moral hazard. (D) systematic risk.

第2節

第3頁，共4頁

27. According to the quantity theory, in the long run, an increase in the growth rate of _____ leads to an increase in the _____. (A) real GDP; inflation rate (B) the quantity of money; growth rate of real GDP (C) the quantity of money; inflation rate (D) real GDP; growth rate of velocity
28. During periods of unexpected inflation, _____ are hurt while _____ gain because the _____. (A) lenders; borrowers; ex post real interest rate exceeds ex ante real interest rate (B) lenders; borrowers; ex post real interest rate is lower than ex ante real interest rate (C) borrowers; lenders; ex post real interest rate exceeds ex ante real interest rate (D) borrowers; lenders; ex post real interest rate is lower than ex ante real interest rate
29. The opportunity cost of holding money balances rather than other assets is (A) the nominal interest rate. (B) the purchasing power of money. (C) forgone consumption. (D) forgone liquidity.
30. Liquidity is the (A) degree to which an asset acts as money without a loss of value. (B) ease with which an asset can be converted into a means of payment with little loss of value. (C) degree to which money can be converted into an asset with little loss of value. (D) ease with which credit cards are accepted as a means of payment.

第二部份：計算、問答題（40分）

- (1) 依照題號順序作答。答案卷上請標明題號。
- (2) 第1~10題為計算題，每題2分。直接將答案書寫在題號之後，計算過程不計分。
- (3) 第11~12題為問答題，每題10分，請詳細作答。

1. Suppose that the government owns and runs both MRT and City Bus System. Assume that, for MRT, the price of demand elasticity is 0.8 and the cross-price elasticity of demand is 0.5. Now the government increases the price of MRT by 25% and wants the quantity demanded of MRT unchanged. To achieve this goal, how many % increase/decrease of Bus ticket price should be set?

Read the following statement and answer questions 2-4.

Assume, for Acer computer, the supply is $p = 2q + 20$ and its demand is $p = 50 - q$, where p denotes the price and q the quantity. Then

2. What is the equilibrium price?
3. At equilibrium, what is the price elasticity of demand?
4. What is the consumer surplus?

Read the following statement and answer questions 5-7.

Jack has 26 dollars to consume good J and good H. Assume that the price for the two goods are $p_J = 3$ and $p_H = 4$. Table 1 shows the marginal utility for both goods.

Table 1.

Number sequence of J consumption	Number sequence of H consumption	MU _J	MU _H
1	1	69	68
2	2	60	64
3	3	54	60
4	4	51	56
5	5	49	54
6	6	48	52
7	7	47	50
8	8	45	47
9	9	42	46

5. What is the equilibrium consumption combination of (J, H)?

6. What is the total utility at the equilibrium?
7. What is the MRS of J for H at the equilibrium?
8. Suppose a laptop costs \$5,000 in the United States and 3,000 euros in Germany. If the nominal exchange rate is 0.8 euros per U.S. dollar, then the real exchange rate between Germany and U.S. is equal to _____.

Read the following statement and answer questions 9-10.

Consider a country that produces only two products: computers and automobiles. Sales and price data for these products for two different years are as follows:

Table 2

Year	No. of Computers Sold	Price per Computer	No. of Automobiles Sold	Price per Automobile
2006	500	\$6,000	1,000	\$12,000
2012	5,000	\$2,000	1,500	\$20,000

9. Calculate the CPI in 2012, using 2006 as the base year.
10. Calculate the GDP deflator in 2012, using 2006 as the base year.
11. If higher budget deficits raise fears of default on a country's national debt, illustrate what will happen to the country's
 - i. domestic interest rate
 - ii. foreign exchange rateand explain why.
12. The central bank has several procedures by which it can adjust the quantity of money. Set out the transactions that the central bank undertakes to stimulate the economy.