國立嘉義大學九十五學年度
管理研究所碩士班招生考試（甲組）試題

科目：經濟學

選擇題，單選（每題2分，共100分）

Techniques that produce 100 sweaters

Technique	Labor (hours)	Capital (machines)
A	10	35
B	25	25
C	10	60
D	30	20

1. Using the data in the above table, if the price of an hour of labor is \$20 and the price of a unit of capital is \$10, then the most economically efficient technique for producing 100 sweaters is
(A) A. (B) B. (C) C. (D) D.

2. One point on a *PPF* shows production levels at 50 tons of coffee and 100 tons of bananas. Remaining on the *PPF*, an increase of banana production to 140 tons shows coffee production at 30 tons. Still remaining on the *PPF*, we see that coffee production at 10 tons allows banana production at 160 tons. The opportunity cost of a ton of bananas is
(A) 16 to 1, that is every 1 ton of coffee given up will result in 16 more tons of bananas.
(B) increasing from 1/2 ton of coffee to 1 ton of coffee per ton of bananas.
(C) decreasing, since the increase in banana production is less at each point considered.
(D) constant because coffee production decreased by the same amount each time.

3. If the price of an inferior good rises, the income effect on purchases is
(A) equal to the price effect. (B) zero. (C) negative. (D) positive.

4. A tradeoff is
(A) a constraint that requires giving up one thing to get another.
(B) a transaction at a price either above or below the equilibrium price.
(C) represented by a point outside a *PPF*.
(D) represented by a point inside a *PPF*.

5. Which of the following factors is <u>NOT</u> part of the budget equation?
(A) preferences (B) real income
(C) quantities of goods (D) relative prices

6. In general, resources are used efficiently when the
(A) marginal benefit from a good exceeds its marginal cost by as much as possible.
(B) goods produced are those valued most highly.
(C) opportunity cost of the goods being produced is as low as possible.
(D) none of the above

7. The opportunity cost of economic growth is
(A) investment that a nation gives up to increase its economic growth.
(B) present consumption that a nation gives up to accumulate capital.
(C) future consumption that a nation gets if it gives up some present consumption.
(D) future consumption that a nation gives up to consume more today.

8. A market structure in which many firms compete by making similar but slightly different products is called
(A) monopolistic competition. (B) monopoly.
(C) perfect competition. (D) oligopoly.

9. Let Q_d stand for the quantity demanded, Q_s stand for the quantity supplied, and P stand for price. If $Qd = 20 - 2P$ and $Qs = 5 + 3P$ then the equilibrium quantity is
(A) 5. (B) 14. (C) 3. (D) 20.

10. A rooster crows and then the sun rises. The rooster thinks that the sun rises because he crows. And he is very proud of it. The rooster falls prey to
(A) marginal thinking. (B) the fallacy of composition.
(C) his self interest. (D) the *post hoc* fallacy.

11. When two firms collude to maximize profit the total quantity produced by both firms taken together is determined at the quantity where ________.
(A) excess capacity is minimized (B) excess capacity is as large as possible zero
(C) the price equals the industry's marginal cost (D) industry marginal cost equals industry marginal revenue

12. A change in technology that shifts the firm's total product curve upward without changing the quantity of capital used
(A) shifts the marginal cost curve upward. (B) shifts the average total cost curve upward.
(C) shifts the average total cost curve downward. (D) does not change the cost curves.

13. A monopolistically competitive firm in the long run ________.
(A) is inefficient because it makes zero economic profit
(B) produces a profit-maximizing output that is less than capacity output
(C) sets its price equal to its marginal cost
(D) is efficient because it makes zero economic profit

14. If a firm faces a rate of return regulation, and if the regulator can observe the firm's total cost and knows that the firm has minimized total cost, the firm will produce output at the point where ________.
(A) the marginal cost and demand curves intersect (B) the average total cost and demand curves intersect
(C) the average total cost and marginal cost curves intersect (D) the marginal revenue and marginal cost curves intersect

		Oscar	
		<u>Cheat</u>	<u>Comply</u>
Felix	<u>Cheat</u>	O: \$1 M F: \$1 M	O: -\$2 M F: \$12 M
	<u>Comply</u>	O: \$12 M F: -\$2 M	O: \$10 M F: \$10 M

15. Oscar and Felix are the only firms that clean offices in a large city. They agree to operate as a cartel. The payoff matrix above shows the economic profit that each firm can make. If the game is played only once, then ________.
(A) Felix and Oscar will each make \$1 million profit
(B) Felix will comply and Oscar will make \$12 million profit
(C) Felix and Oscar will each make \$10 million profit
(D) Felix will cheat and Oscar will make -\$2 million profit

16. The decision to *not* acquire information because the cost of doing so exceeds the expected benefit is called
(A) social interest theory. (B) public choice theory.
(C) rational ignorance. (D) principle of minimum differentiation.

17. If the consumption of Good A by one person does not decrease the consumption of Good A by another person, then the good is said to be
(A) excludable. (B) nonrival. (C) nonexcludable. (D) rival.

		Firm 1	
		Sell	Give away
Firm2	Sell	1: $3	1: $4
		2: $3	2: -$1
	Give away	1: -$1	1: $2
		2: $4	2: $2

18. Two software firms have developed an identical new software application. They are debating whether to give the new application away free and then sell add-ons or sell the application at $30 a copy. The payoff matrix is above and the payoffs are profits in millions of dollars. What is the Nash equilibrium of the game?
(A) Firm 1 will give the application away free and Firm 2 will sell it at $30.
(B) Both Firm 1 and 2 will give the software application away free.
(C) Both Firm 1 and 2 will sell the software application at $30 a copy.
(D) There is no Nash equilibrium to this game.

19. If the demand for its product is elastic, a monopoly's
(A) marginal revenue is zero.
(B) total revenue decreases when the firm lowers its price.
(C) marginal revenue is positive.
(D) total revenue is unchanged when the firm lowers its price.

20. The long run is a time frame in which
(A) the quantities of all resources are fixed.
(B) all costs are sunk costs.
(C) the quantities of all resources can be varied.
(D) the quantities of some resources are fixed and the quantities of other resources can be varied.

21. Consumer surplus is the ________ summed over the quantity purchased.
(A) value the consumer places on a good minus its price
(B) price of a good minus its opportunity cost
(C) price of a good minus the value the consumer places on it
(D) opportunity cost of a good minus its value

22. In general, increasing marginal returns occur
(A) whenever the slope of the total product curve is positive.
(B) as output expands at high levels of production.
(C) as output expands at low levels of production.
(D) through the entire range of production.

23. Adkins Air is the only seller offering service directly from Milwaukee to Greensboro. The market is contestable. Thus the Nash Equilibrium for a game between Adkins Air and a potential entrant is when
(A) the potential entrant enters and Adkins earns an economic profit.
(B) the potential entrant enters and Adkins earns a normal profit.
(C) the potential entrant does not enter and Adkins earns an economic profit.
(D) the potential entrant does not enter and Adkins earns a normal profit.

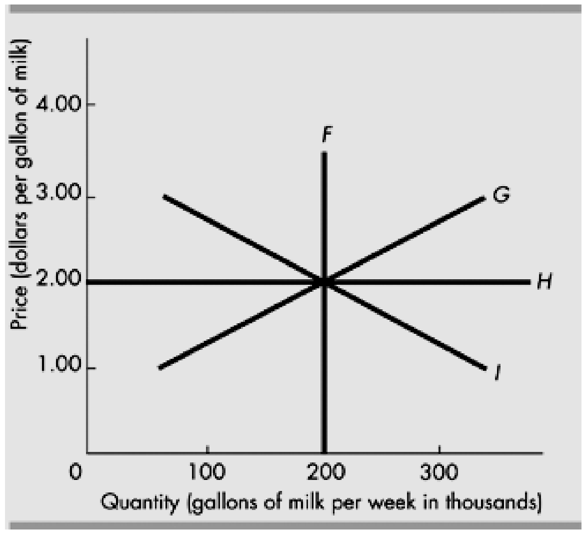
24. A firm's average total cost is $80, its average variable cost is $75, and its output is 50 units. Its total fixed cost is
(A) between $100 and $200. (B) between $200 and $300.
(C) less than $100. (D) more than $300.

25. The elasticity of demand for labor depends on all of the following EXCEPT the
(A) intensity of use of labor in production.
(B) elasticity of supply of labor.
(C) elasticity of demand for the product.
(D) None of the above answers is correct because the elasticity of demand depends on ALL the listed factors.

26. In perfect competition, the elasticity of demand for the product of a single firm is
(A) 0. (B) infinite. (C) 1. (D) between 0 and 1.

27. Under a price cap regulation, the regulated industry has an incentive to
(A) inflate costs. (B) operate efficiently and not inflate its costs.
(C) decrease its output. (D) None of the above answers is correct.

28. Public choice theory explains that politicians
(A) maximize their campaign contributions.
(B) maximize the size of the deadweight loss.
(C) eliminate waste and allocate resources in the social interest.
(D) are the entrepreneurs in a political marketplace.



29. In the above figure, if the milk industry is perfectly competitive, then the firm's marginal revenue curve is represented by
(A) curve *G*. (B) curve *H*. (C) curve *I*. (D) curve *F*.

30. In perfect competition, a firm that maximizes its economic profit will sell its good
(A) below the market price.
(B) at the market price.
(C) below the market price if its supply curve is inelastic and above the market price if its supply curve is elastic.
(D) above the market price.

31. An increase in U.S. exports because of increasing foreign incomes is ________ in the United States.
(A) a decrease in induced expenditure (B) a decrease in autonomous expenditure
(C) an increase in induced expenditure (D) an increase in autonomous expenditure

32. The unemployment rate is at the natural rate of unemployment when
(A) all types of unemployment equal zero. (B) structural unemployment equals zero.
(C) cyclical unemployment equals zero. (D) frictional unemployment equals zero.

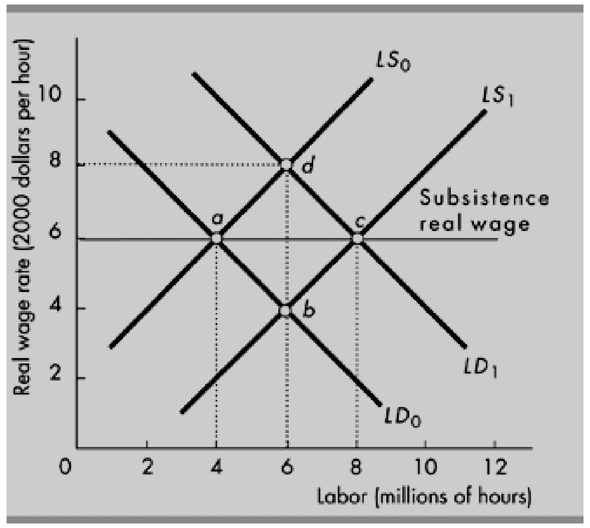
33. The long-run aggregate supply curve is ________ because along it, as prices rise, the money wage rate ________.
(A) upward sloping; stays constant (B) vertical; falls
(C) upward sloping; falls (D) vertical; rises

34. Based on the Keynesian theory of the business cycle, if the economy is at its full-employment equilibrium and aggregate demand increases then
(A) the price level and GDP both decrease.
(B) the price level rises but real GDP remains unchanged.
(C) real GDP decreases and the price level remains unchanged.
(D) the price level and real GDP both increase.

35. An increase in the natural rate of unemployment shifts
(A) neither the short-run nor the long-run Phillips curve.
(B) the long-run but not the short-run Phillips curve rightward.
(C) the short-run but not the long-run Phillips curve rightward.
(D) both the short-run and the long-run Phillips curves rightward.

36. Inflation is a problem when
(A) it causes resources to be diverted from productive uses.
(B) it causes the value of money to vary unpredictably.
(C) it is unpredictable.
(D) All of the above answers are correct.

37. The biases in the CPI include the
(A) old goods, new goods, and quality change biases.
(B) old goods, unemployment, and inflation biases.
(C) new goods, quality change, and substitution biases.
(D) substitution, new goods, and old goods biases.



38. In the above figure, suppose the economy is initially on LD_0 and LS_0. According to the classical growth theory, an advance in technology would initially
(A) increase the population.
(B) increase the real wage.
(C) increase the subsistence real wage.
(D) shift the *LS* curve from LS_0 to LS_1.

39. If the economy enters a recession,
(A) cyclical unemployment increases.
(B) structural unemployment decreases.
(C) frictional unemployment increases.
(D) the number of workers on layoff decreases.

40. In the nation of Nirvana, depreciation is $22 billion, GDP is $260.4 billion, and national income is $215.2 billion. Net domestic product is
(A) $445.2 billion.
(B) smaller than national income.
(C) $238.4 billion.
(D) $215.2 billion.

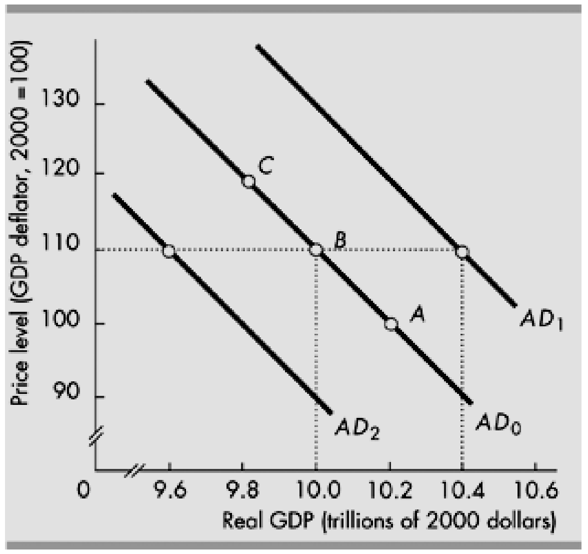
41. Long-term economic growth is most closely associated with
(A) reducing the number of job changes in the economy.
(B) bringing about deflation.
(C) getting unemployment as low as possible.
(D) increasing potential GDP.

42. A demand-pull inflation spiral results when
(A) the economy experiences a one-time jump in the price level.
(B) aggregate demand increases and the economy corrects the resulting inflationary gap, but aggregate demand continues to increase because the Federal Reserve continues to increase the quantity of money.
(C) aggregate supply decreases, the Federal Reserve corrects the resulting recessionary gap by increasing the quantity of money and the supply shocks then stop.
(D) aggregate demand increases, the Federal Reserve does not increase the quantity of money, and so the economy corrects the resulting inflationary gap on its own.

43. A business cycle is
(A) the downward trend in real GDP.
(B) a periodic and predictable fluctuation in real GDP about its trend.
(C) an irregular fluctuation in real GDP about its trend.
(D) the trend increase in real GDP.

44. ________ economists believe that active help from fiscal and monetary policy is needed to insure that the economy is operating at full employment.
(A) Keynesian
(B) All
(C) Monetarist
(D) Classical

45. A change in imports caused by rising U.S. incomes is
(A) a change in induced expenditure.
(B) a decrease in autonomous expenditure.
(C) an increase in autonomous expenditure.
(D) an increase in induced exports.



46. In the above figure, the economy is initially at point *B*. If the Fed decreases the quantity of money, there is
(A) a shift to AD_2.
(B) a shift to AD_1.
(C) a movement to point *C*.
(D) a movement to point *A*.

47. In the quantity theory of money, the velocity of circulation is assumed to
(A) fall during recessions.
(B) be unrelated to the equation of exchange.
(C) be not influenced by the quantity of money.
(D) rise during recessions.

48. The Latin term *ceteris paribus* means
(A) "false for the whole, false for the parts."
(B) "other things the same."
(C) "buyer beware."
(D) "true for the parts not necessarily true for the whole."

49. If the CPI was 122.3 at the end of 2003 and 124.5 at the end of 2004, the inflation rate over these two years was
(A) 18.0 percent.
(B) 22.5 percent.
(C) 2.5 percent.
(D) 1.8 percent.

50. If the economy is at the natural rate of unemployment,
(A) real GDP = potential GDP.
(B) real GDP > potential GDP.
(C) real GDP < potential GDP.
(D) All of the above can occur when the economy is at the natural rate of unemployment.