

國立嘉義大學九十六學年度

轉學生招生考試試題

科目：經濟學

選擇題 (每題 2 分，共 100 分)

- Marginal benefit is the
 - benefit that a person receives from consuming one more unit of a good or service.
 - amount of one good or service that a person gains when another good or service is consumed.
 - minimum amount a person is willing to pay for one more unit of a good or service.
 - dollars sacrificed to purchase a good or service.
- According to the principle of comparative advantage, if a rich country trades with a poor country, then
 - the rich country will benefit and the poor country will lose.
 - the rich country will lose and the poor country will benefit.
 - both countries will benefit.
 - neither of the countries will benefit.
- During the last decade, the price of a computer fell every year and the quantity sold increased every year. This experience suggests that
 - the law of demand was definitely contradicted.
 - the law of supply was definitely contradicted.
 - the demand curve shifted rightward.
 - the supply curve shifted rightward.
- The above table shows the number of pencils or pens that could be produced by Don and Bob in an hour. This schedule shows that
 - Don has an absolute advantage over Bob in the production of pencils, and Bob has an absolute advantage in the production of pens.
 - Bob has an absolute advantage over Don in the production of pencils, and Don has an absolute advantage in the production of pens.
 - Don has a comparative advantage over Bob in the production of both pencils and pens.
 - Bob has a comparative advantage over Don in the production of pencils.
- If a 20 percent increase in the price of a used car results in a 10 percent decrease in the quantity of used cars demanded, then the price elasticity of demand equals
 - 0.5
 - 1.0
 - 2.0
 - 10.0

	Don's production possibilities	Bob's production possibilities
Pens	10	5
Pencils	20	15

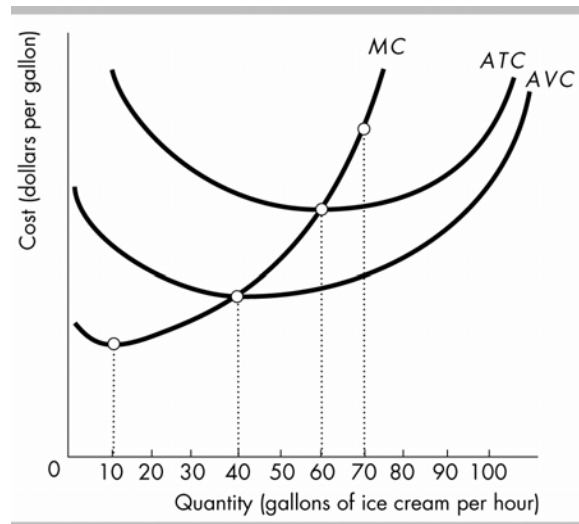
- If the price of salt increases and the quantity demanded does not change, then
 - the price elasticity of demand is equal to zero.
 - demand is perfectly inelastic.
 - the demand curve for salt is perfectly horizontal.
 - Both answers A and B are correct.
- If Sam wants to increase her total revenue from sales and she knows that the demand for her product is price elastic, she should
 - lower her price to increase the demand and shift the demand curve rightward.
 - raise her price because she knows that the quantity demanded will also increase.
 - raise her price because she knows that the percentage decrease in the quantity demanded will be smaller than the percentage increase in price.
 - lower her price because she knows that the percentage increase in the quantity demanded will be greater than the percentage decrease in price.
- A demand curve measures
 - how much people are willing to pay for an additional unit of the good.
 - the marginal benefit of an additional unit of the good.
 - the marginal cost of an additional unit of the good.
 - Both answers A and B are correct.
- Limits to the quantity that a firm is permitted to produce are called
 - price floors.
 - price ceilings.
 - subsidies.
 - quotas.
- When a deadweight loss occurs in a market, we can be certain that
 - taxes have been imposed in a market.
 - the market is a monopoly.
 - there underproduction in the market.
 - the entire society experiences a loss.
- The big tradeoff is a tradeoff between
 - efficiency and fairness.
 - consumer surplus and producer surplus.
 - taxes and subsidies.
 - price ceilings and price floors.

12. When a rent control is imposed in a housing market, the opportunity cost of housing equals the
- rent.
 - market equilibrium rent that would prevail in the absence of a rent ceiling.
 - value of the time and resources spent searching plus the rent.
 - consumer surplus.

13. A rent ceiling results in a shortage. As a result, which of the following do you expect?
- A shortage of applicants for the apartments available.
 - Discrimination as tenants choose their landlords, possibly based on race, age, or gender.
 - A black market for apartments whereby higher rents are obtained through various other charges.
 - In the long-run, more and more people will want to become landlords.

14. A sales tax imposed on sellers shifts the supply curve leftward for the taxed good because
- it is paid by the seller to the government and is, therefore, like a cost of production.
 - it is actually shifted entirely onto the buyer who can afford only a smaller supply.
 - the higher price causes entry into the market.
 - the tax causes the demand curve to shift leftward.

15. If a market is shared equally by four firms, the Herfindahl-Hirschman Index is
- 1/4.
 - 4.
 - 25.
 - 2,500.



16. Some of the cost curves for Ike's Ice Cream Kitchen are given in the above figure. At which of the following levels of output will *AVC* be the lowest?
- At 0 gallons.
 - At 10 gallons.
 - At 40 gallons.
 - At 70 gallons.

17. As illustrated in the above figure, after 40 gallons are produced each hour at Ike's Ice Cream Kitchen, the *AVC* curve starts to slope upward. The *AVC* starts to slope upward because
- the *MC* curve slopes upward.
 - the *MC* exceeds the *AVC*.
 - Both of the above.
 - Neither of the above.

18. A perfectly competitive firm initially is making no economic profit. Then, a decrease in demand for the firm's product occurs. Of the following, in the long run which action listed below is the firm most likely to take?
- Increase the quantity it produces.
 - Increase its advertising to increase the demand for its product.
 - Exit the market.
 - Increase the price it charges for its product.

19. In the long run, a perfectly competitive firm can control
- the price of its product.
 - the number of firms in the industry.
 - its own plant size.
 - shifts in market demand.

20. For a perfectly competitive firm, in the long-run equilibrium,
- $P = MC = ATC = MR$.
 - $MR = MC = AFC$.
 - $MR = P = ATC = AFC$.
 - $P = MC > ATC$.

21. A major difference between a single-price monopolist and a perfectly competitive firm is that
- the monopolist can maximize profit by setting the price of the output where demand is inelastic.
 - the monopolist can always increase its profits by increasing the price of its output.
 - the monopolist's marginal revenue is less than price.
 - the monopolist is guaranteed to earn an economic profit.

22. As a result of using the marginal cost pricing rule to regulate a natural monopoly, the
- natural monopoly will incur an economic loss.
 - natural monopoly earns a normal profit.
 - monopolist produces an inefficient amount of product.
 - monopolist is allowed to cover all its costs and earn a normal profit.

23. In monopolistic competition, the presence of a large number of firms making a differentiated product means that
- each firm can set the price of its particular product.
 - each firm must charge the same price.
 - price is established by collusive behavior.
 - each firm must produce the same quantity.

		Gateway	
		Cut price	Hold price
Dell	Cut price	G: \$10 D: \$10	G: \$5 D: \$20
	Hold price	G: \$20 D: \$5	G: \$15 D: \$15

24. Dell and Gateway must decide whether to lower their prices, based on the potential profits shown in the payoff matrix above. (The profits are in millions of dollars.) In the Nash equilibrium,
- A) Dell keeps its prices high and Gateway lowers its prices.
 B) both Dell and Gateway lower prices.
 C) Gateway keeps its prices high and Dell lowers its prices.
 D) both Dell and Gateway keep prices high.
25. Dell and Gateway must decide whether to lower their prices, based on the potential profits shown in the payoff matrix above. (The profits are in millions of dollars.) In the Nash equilibrium, Dell's profit is ____ million and Gateway's profit is ____ million.
- A) 10; 10. B) 15; 15. C) 5; 20. D) 20; 5.
26. Dell and Gateway must decide whether to lower their prices, based on the potential profits shown in the payoff matrix above. (The profits are in millions of dollars.) If the firms collude and don't cheat, Dell's profit is ____ million and Gateway's profit is ____ million.
- A) 10; 10. B) 15; 15. C) 5; 20. D) 20; 5.
27. An equilibrium in game theory in which the players make and share the monopoly profit is called
- A) Nash equilibrium. B) cooperative equilibrium.
 C) contestable market. D) limit pricing.
28. GDP is a
- A) stock because it measures income for the entire country. B) stock because it measures wealth at a distinct point in time.
 C) flow because dollar values are used. D) flow because it measures production over a period of time.
29. A capital good is
- A) one produced by the government. B) a good that is immediately consumed by consumers.
 C) a good that is used to make other goods and services. D) not part of GDP because it is an intermediate product.

30. Gross investment equals
- A) net investment – depreciation + change in inventories. B) net investment + depreciation.
 C) net investment + change in inventories. D) depreciation + change in inventories.
31. Of the following, which is correct?
- A) Nominal GDP does not change when the production of goods and services increases.
 B) Nominal GDP is not affected by changes in prices of goods and services.
 C) Nominal GDP increases when the prices of goods and services increase.
 D) Real GDP changes only when the prices of goods and services really change.
32. A recession is popularly defined as
- A) at least 6 months during which real GDP decreases.
 B) an increase in real economic output from one period to the next.
 C) no change in real GDP over a period of time.
 D) no change in the dollar (money) value of economic output over a period of time.
33. The ____ is the total number of people aged 16 years and older (and not in jail, hospital or institutional care) while the ____ is the number of people employed and the unemployed.
- A) labor force; working-age population B) labor force participation rate; labor force
 C) working-age population; labor force D) working-age population; labor force participation rate
34. Frictional unemployment includes
- A) unemployment caused by normal labor turnover associated with people leaving and entering the labor force.
 B) unemployment caused by industries moving overseas to better meet foreign competition.
 C) unemployment caused by a lack of education so that workers do not possess necessary job skills.
 D) unemployment caused by automation of the workplace that displaces unskilled workers.
35. Which statement correctly describes "structural unemployment?"
- A) Structural unemployment occurs mainly during recessions.
 B) Structural unemployment is also called "frictional unemployment."
 C) Structural unemployment occurs even when the economy is at the natural rate of unemployment.
 D) The amount of structural unemployment depends on normal labor turnover.
36. If the level of real GDP exceeds potential GDP,
- A) there is a long-run and a short-run equilibrium.
 B) there is neither a long-run nor a short-run equilibrium.
 C) there can be a short-run equilibrium with an inflationary gap.
 D) there can be a short-run equilibrium with a recessionary gap.

37. In the short run, an increase in aggregate demand
- A) lowers the price level and decreases real GDP. B) lowers the price level and increases real GDP.
 C) increases the price level and increases real GDP. D) increases the price level and decreases real GDP.
38. The *MPC* and *MPS* measure changes in consumption expenditure and saving that result from changes in
- A) expected inflation. B) disposable income.
 C) expected future income. D) government purchases of goods and services.
39. A lower price level combined with a decrease in real GDP occurs when the
- A) short-run aggregate supply curve shifts rightward. B) short-run aggregate supply curve shifts leftward.
 C) aggregate demand curve shifts rightward. D) aggregate demand curve shifts leftward.
40. Which of the following is correct when describing business cycles?
- I. The economy does not grow or shrink at a steady pace.
 II. Short-run aggregate supply increases at a fixed pace.
 III. There are usually a few years between recessions.
- A) I only. B) I and II. C) I and III. D) II and III.
41. A monetarist economist believes that
- A) if the economy was left alone, it would rarely operate at full employment.
 B) the economy is self-regulating and always at full employment.
 C) the economy is self-regulating and will normally, though not always, operate at full employment if monetary policy is not erratic.
 D) the economy is self-regulating and will normally, though not always, operate at full employment if fiscal policy is not erratic.
42. A production function describes the relationship between
- A) labor and leisure. B) capital and labor.
 C) real GDP and the quantity of labor employed. D) All of the above answers are correct.
43. As the ____ interest rate increases, the quantity of investment demanded ____.
- A) real; increases B) real; decreases
 C) nominal; increases D) nominal; decreases
44. Which of the following has the least impact on households' saving decisions?
- A) the real rate of interest B) the level of disposable income
 C) expected future income D) the quantity of imports entering the country
45. An increase in productivity relates to
- A) working harder over time. B) working longer over time.
 C) producing the same output with fewer labor hours. D) producing the same output with more labor hours.
46. Which of the following describes the one-third rule?
- A) A 1/3 percent increase in capital per hour of labor leads to a 1 percent increase in real GDP per hour.
 B) A 1/3 percent increase in capital per hour of labor leads to a 1/3 percent increase in labor per hour of capital.
 C) If capital per hour of labor increases by 3 percent, real GDP per hour of labor will increase by 1 percent.
 D) If capital per hour of labor increases by 3 percent, labor will increase by 1 percent.
47. Which of the following is consistent with the neoclassical theory of growth?
- A) real wages close to subsistence
 B) falling real interest rates as growth after a technological change proceeds
 C) real interest rates that remain constant at all times
 D) the lack of diminishing returns
48. In the short run, an increase in the quantity of money
- A) raises interest rates as people increase their saving. B) increases potential GDP.
 C) increases aggregate demand. D) decreases aggregate demand.
49. In the short run, an increase in the required reserve ratio
- A) results in decreases in other interest rates.
 B) leads banks to hold more excess reserves.
 C) causes the equilibrium level of real GDP and the price level to fall.
 D) leads to an increase in the price of existing bonds.
50. If the economy is at potential GDP, the long-run effect of an increase in the quantity of money is
- A) an increase in potential GDP. B) a decrease in the inflation rate.
 C) an increase in the price level. D) a decrease in the price level.