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一、解釋名詞：每題 5 分（共 50 分）

1. 霸權穩定論 (Hegemonic Stability Theory)
2. 權力轉移論 (Power Transition Theory)
3. 文明衝突論 (Clash of Civilizations)
4. 民主和平論 (Democratic Peace)
5. 軍工複合體 (Military-Industrial Complex)
6. 新保護主義 (New Protectionism)
7. 產品生命週期論 (Product Life Cycle Theory)
8. 人口紅利 (Demographic Dividend)
9. 國際刑事法院 (International Criminal Court, ICC)
10. 二十國集團 (Group of Twenty, G20)

二、申論題：每題 25 分（共 50 分）

1. 二十世紀是國際組織的世紀，主權國家成立許多全球性或區域性國際組織，以增進國際社會的和平、安全與繁榮。請探討國際組織的角色與功能以及對於國際關係的影響。
2. 全球化(Globalization)是過去半世紀國際社會發展的重大趨勢，也是當今國際社會激烈爭辯的議題，請分析支持與反對全球化的論點。

備

註

- 一、作答於試題上者，不予計分
- 二、試題請隨卷繳交。

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選擇題 (單選): 總共 100 題, 每題 1 分, 總分共 100 分。選擇題請在答案卡上作答, 否則不予計分。

1. Which of the following is NOT listed in the book as a reason to study economics?
 - A) to learn a way of thinking
 - B) to understand society and global affairs
 - C) to examine the debate about the role of government
 - D) to learn how to make lots of money
2. Which of the following is a normative question?
 - A) Why do gasoline prices increase between Memorial Day and Labor Day?
 - B) What will happen to gasoline consumption if the federal tax on gasoline is eliminated?
 - C) To reduce the regressive nature of the gasoline excise tax, should the portion of the gasoline excise tax paid by high-income individuals be increased?
 - D) How will oil exploration be affected if the government subsidizes oil producers?
3. Increasing opportunity cost along a bowed out production possibilities frontier occurs because
 - A) of inefficient production.
 - B) of ineffective management by entrepreneurs.
 - C) some factors of production are not equally suited to producing both goods or services.
 - D) of the scarcity of factors of production.
4. For each watch that Switzerland produces, it gives up the opportunity to make 50 pounds of chocolate. Germany can produce 1 watch for every 100 pounds of chocolate it produces. Which of the following is true about the comparative advantage between the two countries?
 - A) Switzerland has the comparative advantage in chocolate.
 - B) Switzerland has the comparative advantage in watches.
 - C) Germany has the comparative advantage in watches and chocolate.
 - D) Germany has the comparative advantage in watches.
5. In the circular flow model, producers
 - A) sell goods and services in the input market.
 - B) households spend earnings from resource sales on goods and services in the factor market.
 - C) hire resources sold by households in the factor market.
 - D) spend earnings from resource sales on goods and services in the product market.
6. The quantity demanded of Pepsi has decreased. The best explanation for this is that

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- A) the price of Coca-Cola has increased.
- B) Pepsi's advertising is not as effective as in the past.
- C) the price of Pepsi has increased.
- D) Pepsi consumers had an increase in income.

7. A frozen food manufacturer can produce either pizzas or calzones. As the result of an increase in the price of calzones, the firm produces more calzones and fewer pizzas. An economist would explain this by saying

- A) the supply of calzones increased and the supply of pizzas decreased.
- B) there has been an increase in the quantity supplied of calzones and a decrease in the quantity supplied of pizzas.
- C) there has been an increase in the quantity supplied of calzones and a decrease in the supply of pizza.
- D) the supply of calzones increased and the quantity supplied of pizza decreased.

8. The change in the price of a good leads to a change in _____, which leads to a _____.

- A) quantity supplied; movement along a supply curve
- B) quantity supplied; shift of the supply curve
- C) supply; movement along a supply curve
- D) supply; shift of the supply curve

9. New technology developed in 1999 resulted in a reduction in the cost of manufacturing flat-screen televisions that used liquid crystal displays (LCD). How did this change in technology affect the market for flat-screen televisions?

- A) The new technology caused an increase in the supply of flat-screen televisions and a decrease in price of flat-screen televisions.
- B) The new technology caused an increase in the supply of flat-screen televisions and an increase in price of flat-screen televisions.
- C) The new technology caused an increase in the demand for flat-screen televisions.
- D) The new technology caused an increase in the quantity of flat-screen televisions supplied.

10. At a price of \$11, quantity demanded is 90; and at a price of \$9, quantity demanded is 110. Since total revenue _____ by the price decrease, demand must be _____.

- A) is increased; elastic
- B) is decreased; inelastic
- C) is unchanged; unit elastic
- D) is unchanged; elastic

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11. Jonah lives in a small town where there is only one Mexican restaurant. Which of the following is likely to be true about the price elasticity of demand for meals at the Mexican restaurant?
- A) Demand is likely to be perfectly inelastic.
 - B) Demand is likely to be perfectly elastic.
 - C) Demand is likely to be relatively elastic.
 - D) Demand is likely to be relatively inelastic.
12. Linesha, a college student working part-time receives a wage increase. An avid movie buff, she increased her purchases of DVDs and reduced her purchases of video cassettes. Based on this information,
- A) DVDs and video cassettes are substitutes.
 - B) DVDs are normal goods and video cassettes are inferior goods.
 - C) DVDs and video cassettes are normal goods.
 - D) the cross-price elasticity between DVDs and video cassettes is negative.
13. Michael can buy either pizzas or submarine sandwiches. If the prices of pizzas and submarine sandwiches double and Michael's money income triples, we can deduce that Michael's budget constraint will
- A) shift in but remain parallel to the old one.
 - B) shift out but remain parallel to the old one.
 - C) swivel in so that the slope of the budget constraint is doubled.
 - D) remain unchanged.
14. For inferior goods, the substitution and income effects of a price increase will
- A) both decrease the quantity of the good demanded.
 - B) both increase the quantity of the good demanded.
 - C) the substitution effect will increase the quantity of the good demanded while the income effect will decrease the quantity of the good demanded.
 - D) the substitution effect will decrease the quantity of the good demanded while the income effect will increase the quantity of the good demanded.
15. The diamond/water paradox states that things with the _____ value in use frequently have _____ value in exchange.
- A) least; the least
 - B) least; little or no
 - C) greatest; little or no
 - D) greatest; the greatest

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16. Kathy eats five slices of pizza on a Saturday night but admits each slice of pizza doesn't taste as good as the previous one. This suggests that for Kathy the					
A) marginal utility of a slice of pizza is positive but decreasing.					
B) marginal utility of a slice of pizza is negative.					
C) total utility of slices of pizza is declining.					
D) total utility of slices of pizza is increasing by larger and larger increments.					
17. Along a downward-sloping linear demand curve,					
A) the marginal utility from the consumption of each unit of the good and the total utility from consuming larger quantities increase.					
B) the marginal utility from the consumption of each unit of the good and the total utility from consuming larger quantities remain constant.					
C) the marginal utility from the consumption of each unit of the good falls and the total utility from consuming larger quantities increases.					
D) the marginal utility from the consumption of each unit of the good rises and the total utility from consuming larger quantities remain constant.					
18. Ellie is spending her entire income on goods X and Y. Her marginal utility from the last unit of X is 100 and the marginal utility from the last unit of Y that she consumes is 50. Ellie's utility is only maximized if					
A) the prices of X and Y are the same.					
B) the price of good X is twice that of good Y.					
C) the price of good Y is twice that of good X.					
D) We cannot determine whether Ellie is maximizing her utility.					
19. Most people would prefer to drive a luxury car that has all the options, but more people buy less expensive cars even though they could afford the luxury car because					
A) car buyers are irrational.					
B) the total utility of less expensive cars is greater than that of luxury cars.					
C) the marginal utility per dollar spent on the less expensive car is higher than that spent on luxury cars.					
D) luxury cars cost a lot more than non-luxury cars.					
20. Why do convex indifference curve have a negative slope?					
A) because consumers take market prices as given					
B) because consumers face a budget constraint					
C) because to keep utility constant, a consumer must get more of one good if she is to give up some of the other					
D) because scarcity implies that it is not possible to consume more of one good without giving up some of the					

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other

21. Countries that engage in trade will tend to specialize in the production of goods and services in which they have _____ and will _____ these goods and services.
- A) a comparative advantage; import
 - B) an absolute advantage; export
 - C) an absolute advantage; import
 - D) a comparative advantage; export
22. Suppliers will be willing to supply a product only if
- A) the price received is less than the additional cost of producing the product.
 - B) the price received is at least equal to the additional cost of producing the product.
 - C) the price is higher than the average cost of producing the product.
 - D) the price received is at least double the additional cost of producing the product.
23. If the price ceiling is set above the equilibrium price,
- A) quantity demanded will equal quantity supplied.
 - B) there will be a surplus.
 - C) there will be a shortage.
 - D) demand will be less than supply.
24. When the demand is unit elastic and the labor supply is very inelastic, the payroll tax is
- A) borne mostly by the employer.
 - B) borne entirely by the employer.
 - C) borne mostly by the employee.
 - D) split fairly evenly between the employer and the employee.
25. If the market price of coffee is \$3.00 per pound but the government will not allow coffee growers to charge more than \$2.00 per pound of coffee, which of the following will happen?
- A) Demand must eventually decrease so that the market will come into equilibrium at a price of \$2.50.
 - B) There will be a shortage of coffee.
 - C) Supply must eventually increase so that the market will come into equilibrium at a price of \$2.50.
 - D) The market will be in equilibrium at a price of \$2.00.
26. If, in a competitive market, marginal benefit is greater than marginal cost
- A) the net benefit to consumers from participating in the market is greater than the net benefit to producers.

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- B) the government must force producers to lower price in order to achieve economic efficiency.
C) the quantity sold is greater than the equilibrium quantity.
D) the quantity sold is less than the equilibrium quantity.
27. Suppose the demand curve for a product is vertical and the supply curve is upward sloping. If a unit tax is imposed in the market for this product,
- A) sellers bear the entire burden of the tax.
B) buyers bear the entire burden of the tax.
C) the tax burden will be shared equally between buyers and sellers.
D) buyers share the burden of the tax with government.
28. Which of the following would be categorized as an opportunity cost?
- a. not being able to spend your \$10,000 savings if you sink the money in your business
b. the cost of purchasing supplies for your house-cleaning business
c. the cost of purchasing auto insurance for your dry-cleaning delivery business
- A) a only
B) a and c only
C) b and c only
D) all of the above
29. Laura's Pizza Place incurs \$800,000 per year in explicit costs and \$100,000 in implicit costs. The restaurant earns \$1.3 million in revenues and has \$5 million in net worth. Based on this information, what is economic profit for Laura's Pizza Place?
- A) \$200,000
B) \$500,000
C) \$400,000
D) \$2.8 million
30. In the short run, marginal product of labor increases at first and then falls because
- A) as more labor is hired, they are not as skilled as the first ones hired.
B) there are fewer opportunities for division of labor and specialization when fewer workers are hired.
C) managerial inefficiency sets in when a firm gets too large.
D) the new workers do not have as much experience as those who have been with the firm for a long time and therefore are not as productive.
31. If marginal product is greater than average product, then

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<p>A) average product must be decreasing. B) marginal product must be decreasing. C) marginal product must be increasing. D) marginal product could either be increasing or decreasing.</p> <p>32. Average variable and average total costs get closer together as output increases because _____ as output increases. A) diminishing returns set in B) average fixed costs decrease C) marginal costs decrease D) total and total variable costs get closer together</p> <p>33. Economies of scale exist as a firm increases its size in the long run because of all of the following except A) the firm can afford more sophisticated technology in production. B) labor and management can specialize even further in their tasks. C) as a larger input buyer, the firm can purchase inputs at a lower per unit cost. D) as a firm expands its production, its profit margin per unit of output increases.</p> <p>34. Both buyers and sellers are price takers in a perfectly competitive market because A) the price is determined by government intervention and dictated to buyers and sellers. B) each buyer and seller is too small relative to others to independently affect the market price. C) each buyer and seller knows it is illegal to conspire to affect price. D) both buyers and sellers in a perfectly competitive market are concerned for the welfare of others.</p> <p>35. If the wool industry is perfectly competitive, the market demand curve for wool is _____ and an individual wool producer's demand curve is _____. A) downward sloping; horizontal B) horizontal; downward sloping C) horizontal; horizontal D) downward sloping; downward sloping</p> <p>36. If an individual perfectly competitive firm charges a price below the industry equilibrium price while competitors charge the equilibrium price, the firm will A) not sell any of what it produces. B) sell part of what it produces but forgo no revenue. C) sell all that it produces and forgo no revenue.</p>					

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- D) sell all that it produces but forgo revenue that it could have had.
37. Corn is produced in a perfectly competitive market. The demand for ethanol decreases. This will cause the individual corn farmer's marginal revenue to _____ and their profit maximizing level of output to _____.
- A) increase; increase
B) increase; decrease
C) decrease; increase
D) decrease; decrease
38. If a perfectly competitive firm's average total cost curve is above its demand schedule at every level of output, then the firm will earn _____ profits.
- A) positive
B) breakeven
C) negative
D) zero
39. If price exceeds average variable cost but is less than average total cost, a firm
- A) should shut down.
B) should stay in business for a while longer until its fixed costs expire.
C) is making some profit but less than maximum profit.
D) should further differentiate its product.
40. Which of the following characteristics is common to monopolistic competition and perfect competition?
- A) Entry barriers into the industry are low.
B) Firms produce identical products.
C) Firms take market prices as given.
D) Each firm faces a downward-sloping demand curve.
41. Major difference between monopolistic competition and perfect competition is
- A) that products are not standardized in monopolistic competition unlike in perfect competition
B) the degree by which the market demand curves slope downwards
C) the barriers to entry in the two markets
D) the number of sellers in the markets
42. A monopolistically competitive firm faces a downward-sloping demand curve because

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- A) it is able to control price and quantity demanded.
 B) of product differentiation.
 C) its market decisions are affected by the decisions of its rivals.
 D) there are few substitutes for its product.
43. Why do most firms in monopolistic competition typically make zero profit in the long run?
 A) because firms do not produce at their minimum efficient scale
 B) because the total market is not large enough to accommodate so many firms
 C) because the lack of entry barriers would compete away profits
 D) because firms produce differentiated products
44. Is a monopolistically competitive firm allocatively efficient?
 A) No, because it does not produce at minimum average total cost.
 B) No, because price is greater than marginal cost.
 C) Yes, because it produces where marginal cost equals marginal revenue.
 D) Yes, because price equals average total costs.
45. An oligopolist differs from a perfect competitor in that
 A) there are no entry barriers in perfect competition but there are entry barriers in oligopoly.
 B) the market demand curve for a perfectly competitive industry is perfectly elastic but it is downward-sloping in an oligopolistic industry.
 C) there is cutthroat competition in perfect competition but little competition in oligopoly because firms have significant market power.
 D) firms in an oligopoly do not produce homogeneous products while firms in perfect competition do.
46. The value of the four-firm concentration ratio that many economists consider indicative of the existence of an oligopoly in a particular industry is
 A) anything greater than 40 percent.
 B) anything greater than 30 percent.
 C) anything greater than 20 percent.
 D) anything greater than 10 percent.
47. Why does a prisoners' dilemma lead to a noncooperative equilibrium?
 A) because each rational player has a dominant strategy to play a certain way regardless of what other players do
 B) because players must choose from have a limited number of non-dominant strategies
 C) because each player had agreed before the game started to minimize the harm that he can inflict on the other

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players

D) because each player is uncertain how other players will play the game

48. What is the incentive for a firm to join a cartel?

- A) to completely insulate itself from competition.
- B) to be able earn larger profits than if it was not part of the cartel.
- C) to be able to earn profits in the long run but not in the short run.
- D) to produce a larger amount of output than if it was not part of the cartel.

49. Compared to a monopolistic competitor, a monopolist faces

- A) a more elastic demand curve.
- B) a more inelastic demand curve.
- C) a demand curve that has a price elasticity coefficient of zero.
- D) a more elastic demand curve at higher prices and a more inelastic demand curve at lower prices.

50. Compared to perfect competition, the consumer surplus in a monopoly

- A) is higher because price is higher and output is the same.
- B) is lower because price is higher and output is lower.
- C) is eliminated.
- D) is unchanged because price and output are the same.

51. If a natural monopoly regulatory commission sets a price where marginal cost is equal to demand

- A) the firm would incur a loss.
- B) the firm would earn monopoly profits.
- C) the firm would break even.
- D) economic efficiency would not be achieved.

52. Yield management and price discrimination have enabled firms to increase profits and, at the same time,

- A) transfer some producer surplus to consumers.
- B) reduce transactions costs.
- C) capture some consumer surplus.
- D) reduce the cost of production.

53. With a monopolist engages in perfect price discrimination, the quantity produced and sold

- A) could be lower, higher or the same as that produced and sold if it adopted a single-price.
- B) is larger than the quantity produced and sold if it adopted a single-price.

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- C) is lower than the quantity produced and sold if it adopted a single-price.
 D) is the same level as that produced and sold if it adopted a single-price.
54. A firm using a two-part tariff faces a tradeoff because
- A) the only way to increase total revenue is to lower per-unit profit.
 B) the smaller the variation between the parts of the price the greater the deadweight loss generated by the pricing scheme.
 C) any increase in consumer surplus must be offset by a decrease in producer surplus.
 D) the only way to increase the fixed-fee portion of the price is to lower the per-unit portion of the price.
55. According to _____, in a market with an externality, private parties would voluntarily negotiate an efficient outcome without government intervention.
- A) A. C. Pigou
 B) Adam Smith
 C) Ronald Coase
 D) John Maynard Keynes
56. Adverse selection and moral hazard arise because of _____.
- A) a symmetric information
 B) selection problems
 C) risk aversion
 D) mechanism designs for dealing with informational problems
57. As income becomes more unequally distributed, the Lorenz curve _____ and _____.
- A) moves further down to the right; the shaded area increases
 B) moves further up to the left; the shaded area decreases
 C) moves further up to the left rising about the 45 degree line; the shaded area increases
 D) moves further down to the right; the shaded area decreases
58. What is the difference between a firm's marginal revenue and its marginal revenue product?
- A) There is no difference between the two terms.
 B) Marginal revenue is the change in sales revenue from selling one more unit of output while marginal revenue product is the profit earned from hiring one more worker.
 C) Marginal revenue is the change in sales revenue from selling one more unit of output while marginal revenue product is the change in total revenue from hiring one more worker.
 D) Marginal revenue is the increase in revenue when a firm raises its output price while marginal revenue

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product is the increase in marginal product when a firm hires an additional worker.

59. Suppose a competitive firm is paying a wage of \$12 an hour and sells its product at \$3 per unit. Assume that labor is the only input. If the last worker hired increases output by three units per hour, then to maximize profits the firm should
- A) There is not enough information to answer the question.
 - B) lay off some of its workers.
 - C) hire additional workers.
 - D) not change the number of workers it currently hires.
60. At low wages, the labor supply for most people slope upward because
- A) the supply of labor is perfectly inelastic at low wages.
 - B) as wages increase income also increases unless hours worked decrease.
 - C) the demand for labor is perfectly elastic at low wages.
 - D) as wages increase the opportunity cost of leisure increases.
61. Suppose the United States has a Gini coefficient of 0.4 and Sweden has a Gini coefficient of 0.25. Which of the following statements is true?
- A) Income distribution is changing faster in the United States.
 - B) Without information on population, it is not possible to compare income distribution between countries.
 - C) The distribution of income is more equal in the United States.
 - D) The distribution of income is more equal in the Sweden.
62. In a small economy, consumption spending in 2008 is \$6,000, government spending is \$1,200, gross investment is \$1,500, exports are \$2,000, and imports are \$1,000. What is gross domestic product in 2008?
- A) \$9,700
 - B) \$9,800
 - C) \$10,800
 - D) \$11,700
63. Which of the following is a true statement about real and nominal GDP?
- A) If nominal GDP increases from one year to the next, we know that production of goods and services has risen.
 - B) Nominal GDP is a better measure than real GDP in comparing changes in the production of goods and service year after year.
 - C) Increases in average prices do not affect the calculation of nominal GDP.
 - D) If real GDP increases from one year to the next, we know that production of goods and services has risen.

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64. If receipts of factor income from the rest of the world are less than payments of factor income to the rest of the world, then
- GDP is greater than GNP.
 - GDP equals GNP.
 - GNP equals NNP.
 - GNP is greater than GDP.
65. The labor force participation rate is defined as
- the percentage of the working-age population that is employed.
 - the percentage of the working-age population that is unemployed.
 - the percentage of the labor force that is employed.
 - the percentage of the labor force that is unemployed.
 - the percentage of the working-age population in the labor force.
66. People who lost their jobs as hand-drawn animators because of the popularity of computer-generated 3D animation are examples of persons who are suffering
- frictional unemployment.
 - structural unemployment.
 - cyclical unemployment.
 - seasonal unemployment.
 - unnatural unemployment.
67. Which of the following is an example of a worker experiencing frictional unemployment?
- A worker quits his job at the Post Office to find more interesting work.
 - A computer programmer loses her job because it is outsourced to India.
 - An employee is laid off because the economy is suffering a recession.
 - A worker employed to portray Santa Claus at a Department Store over the Christmas season is laid off after Christmas.
 - A United Airlines pilot loses her job because of lack of demand for air travel.
68. Efficiency wages cause unemployment because
- firms pay wages that are below the market wage, causing labor demand to be greater than labor supply.
 - firms pay wages that are below the market wage, causing labor demand to be less than labor supply.
 - firms pay wages that are above the market wage, causing labor demand to be greater than labor supply.
 - firms pay wages that are above the market wage, causing labor demand to be less than labor supply.

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69. Minimum wage laws cause unemployment because the legal minimum wage is set
- A) below the market wage, causing labor demand to be greater than labor supply.
 - B) below the market wage, causing labor demand to be less than labor supply.
 - C) above the market wage, causing labor demand to be greater than labor supply.
 - D) above the market wage, causing labor demand to be less than labor supply.
 - E) too low.
70. If your nominal wage rises faster than the price level then we can say your real wage has _____ and the purchasing power of your income has _____.
- A) fallen; fallen
 - B) fallen; risen
 - C) risen; risen
 - D) risen; fallen
71. If inflation increases unexpectedly, then
- A) borrowers pay a higher real interest rate than they expected.
 - B) lenders receive a lower real interest rate than they expected.
 - C) lenders gain and borrowers gain.
 - D) neither borrowers nor lenders lose.
72. The _____ is a measure of the price level and is calculated by dividing _____ by _____ and multiplying by 100.
- A) CPI; real GDP; nominal GDP
 - B) GDP deflator; real GDP; nominal GDP
 - C) GDP deflator; nominal GDP; real GDP
 - D) PPI; nominal GDP; real GDP
 - E) PPI; real GDP; nominal GDP
73. Potential GDP is defined as
- A) the maximum of GDP that the economy can produce.
 - B) the amount of GDP produced if there is no frictional unemployment.
 - C) the level of GDP attained when all firms are producing at capacity.
 - D) the amount of GDP produced if there is no structural unemployment.
74. Because _____ in the government budget deficit increase the real interest rate, budget deficits can

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- _____ firm investment.
- A) increases; increase
 - B) decreases; increase
 - C) decreases; decrease
 - D) increases; decrease
75. If the economy is currently in equilibrium at a level of GDP that is below potential GDP, which of the following would move the economy back to potential GDP?
- A) an increase in interest rates
 - B) a decrease in business confidence
 - C) an increase in wealth
 - D) an increase in the value of the dollar relative to other currencies
76. _____ consumption is consumption that depends upon the level of GDP and _____ consumption is consumption that does not depend upon the level of GDP.
- A) induced; autonomous
 - B) voluntary; autonomous
 - C) autonomous; voluntary
 - D) autonomous; induced
77. Which of the following is a reason why increases in the price level results in a decline in aggregate expenditure?
- A) As the price level rises, government spending falls, which lowers aggregate expenditures.
 - B) Price level increases cause firms and consumers to hold more money, which raises the interest rate. Higher interest rates lower consumption and planned investment expenditures, which lowers aggregate expenditures.
 - C) Price level increases in the U.S. relative to other countries, raise net exports, which lowers aggregate expenditures.
 - D) Price level increases raise real wealth which causes consumption spending and aggregate expenditures to decline.
78. Keynes believed in all of the following EXCEPT
- A) the government has a role to play in fighting inflation.
 - B) the government has a role to play in fighting unemployment.
 - C) monetary and fiscal policies should be used to manage the macroeconomy.
 - D) people use rational expectations to form their expectations of the future.

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79. Suppose a developing country receives more machinery and capital equipment as foreign entrepreneurs increase the amount of investment in the economy. As a result,
- the long run aggregate supply curve will shift to the right.
 - the long run aggregate supply curve will shift to the left.
 - the economy will move up along the long run aggregate supply curve.
 - the economy will move down along the long run aggregate supply curve.
80. Interest rates in the economy have fallen. How will this affect aggregate demand and equilibrium in the short run?
- Aggregate demand will rise, the equilibrium price level will rise, and the equilibrium level of GDP will rise.
 - Aggregate demand will rise, the equilibrium price level will fall, and the equilibrium level of GDP will rise.
 - Aggregate demand will fall, the equilibrium price level will fall, and the equilibrium level of GDP will fall.
 - Aggregate demand will fall, the equilibrium price level will rise, and the equilibrium level of G will rise.
81. Assume that the demand for money depends on the interest rate. A _____ in the money supply will cause the interest rate to _____, the quantity demanded of money to _____, and the velocity of money to _____.
- decrease; decrease; decrease; decrease
 - decrease; increase; decrease; increase
 - increase; decrease; increase; increase
 - increase; decrease; decrease; increase
82. Assume that banks become less conservative in their lending policies and start holding no excess reserves. Compared to a situation in which banks are holding excess reserves, the size of the money supply will be
- zero.
 - larger.
 - the same.
 - smaller.
83. If households in the economy decide to take money out of checking account deposits and put this money into savings accounts this will initially
- decrease M1 and increase M2.
 - decrease M1 and decrease M2.
 - decrease M1 and not change M2.
 - increase M1 and decrease M2.

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84. Open market operations refer to the buying and selling of _____ by the _____ to control the money supply.
- A) Treasury securities; Treasury Department
 - B) Treasury securities; Federal Reserve
 - C) Stocks and bonds; Treasury Department
 - D) Stocks and bonds; Federal reserve
85. An increase in the purchasing power of money would not, on average, result in an increase in the purchasing power of peoples' income; because a _____ price level would likely mean _____ wages and salaries.
- A) rising; falling
 - B) rising; rising
 - C) falling; falling
 - D) falling; rising
86. If tax rates increased, giving people a decreased incentive to work and businesses a decreased incentive to invest
- A) aggregate supply will decrease, aggregate output will decrease, and the price level will decrease.
 - B) aggregate supply will decrease, aggregate output will decrease, and the price level will increase.
 - C) both aggregate supply and demand will decrease, aggregate output will decrease, and the price level will decrease.
 - D) aggregate supply will decrease, aggregate demand will increase, aggregate output will decrease, and the price level will increase.
87. If firms have rational expectations and if they set prices and wages on this basis, then on average, prices and wages will be set at levels that _____ in the goods and labor markets.
- A) leave a surplus
 - B) leave a shortage
 - C) ensure equilibrium
 - D) ensure maximum profits
88. Assume that the substitution effect dominates the income effect. When workers experience a _____ price surprise, they _____ perceive that their real wage rate has _____, which leads them to work more hours.
- A) positive; correctly; risen
 - B) negative; correctly; fallen
 - C) negative; incorrectly; risen

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D) positive; incorrectly; risen

89. Suppose the Fed decreases the money supply. In response households and firms will _____ short term assets and this will drive _____ interest rates.

- A) buy; up
- B) buy; down
- C) sell; up
- D) sell; down

90. If the Fed pursues expansionary monetary policy then

- A) the money supply will decrease, interest rates will rise and GDP will fall.
- B) the money supply will decrease, interest rates will fall and GDP will fall.
- C) the money supply will increase, interest rates will rise and GDP will rise.
- D) the money supply will increase, interest rates will fall and GDP will rise.

91. Decreasing government spending _____ the price level and _____ equilibrium real GDP.

- A) decreases; increases
- B) increases; decreases
- C) increases; increases
- D) decreases; decreases

92. The multiplier effect is the series of _____ increases in _____ expenditures that result from an initial increase in _____ expenditures.

- A) induced; investment; autonomous
- B) induced; consumption; autonomous
- C) autonomous; consumption; induced
- D) autonomous; investment; induced

93. Crowding out, following an increase in government spending, results from (the exchange rate is the foreign exchange price of the domestic currency).

- A) higher interest rates and a lower exchange rate
- B) higher interest rates and a higher exchange rate
- C) lower interest rates and a lower exchange rate.
- D) lower interest rates and a higher exchange rate.

94. If the long-run aggregate supply curve is vertical,

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- A) the economy stays at the natural rate of inflation in the long run.
B) the short-run Phillips curve must be vertical.
C) unemployment and inflation are positively related in the long run.
D) the tradeoff between unemployment and inflation cannot be permanent.
95. How does an increase in the relative price of a country's goods in terms of foreign goods, or real exchange rate, affect its balance of trade?
A) An increase in the real exchange rate raises imports, reduces exports, and reduces the balance of trade.
B) An increase in the real exchange rate reduces imports, raises exports, and reduces the balance of trade.
C) An increase in the real exchange rate reduces imports, raises exports, and increases the balance of trade.
D) An increase in the real exchange rate raises imports, reduces exports, and increases the balance of trade.
96. How does an increase in the budget deficit affect the demand and supply of dollars on the foreign exchange market?
A) The demand for dollars falls, and the supply of dollars falls.
B) The demand for dollars rises, and the supply of dollars rises.
C) The demand for dollars rises, and the supply of dollars falls.
D) The demand for dollars falls, and the supply of dollars rises.
97. Purchasing power parity is the theory that, in the long run, exchange rates move to equalize
A) nominal interest rates across countries.
B) real GDP across countries.
C) corporate profits across countries.
D) the relative purchasing power of currencies across countries.
98. _____ looks to relative factor endowments to explain trade flows.
A) The Heckscher-Ohlin theorem
B) Ockham's razor
C) Say's law
D) The Sherman Antitrust Act
99. A tariff imposed on imported wine will cause the domestic _____ of wine to increase and the domestic _____ of wine to increase.
A) price; production
B) cost; price
C) imports; exports

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D) revenues; imports

100. When countries specialize in producing those goods in which they have a comparative advantage, they _____ their combined output and allocate their resources _____ efficiently.

- A) maximize; less
- B) maximize; more
- C) minimize; less
- D) minimize; more



備註	<p>一、作答於試題上者，不予計分。</p> <p>二、試題請隨卷繳交。</p>
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