

# 東吳大學 106 學年度轉學生(含進修學士班轉學生)招生考試試題

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系級	經濟學系三年級	考試時間	100 分鐘
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※一律作答於答案卷上(題上作答不予計分)，並務必標明題號，依序作答。

I. Multiple Choice (60%, Please choose the best answer.)

1. A worker received \$5 for a daily wage in 1930. What is the value of that wage today if the CPI was 17 in 1930 and is 230 today?
  - a. 37 cents
  - b. \$4.63
  - c. \$67.65
  - d. \$37.86
  
2. If leisure were an inferior good, then labor supply curves
  - a. would all be negatively sloped.
  - b. would all be positively sloped.
  - c. would all be vertical.
  - d. could still be positively or negatively sloped.
  
3. When looking at a graph of nominal and real interest rates you notice the graph for nominal rates and the graph for real rates cross each other many times. From this you conclude
  - a. consumer prices sometimes rose and sometimes fell in the time frame represented on the graph.
  - b. consumer prices were always rising in the time frame represented on the graph.
  - c. the economy never experienced a recession in the time frame represented on the graph.
  - d. GDP was always increasing for the time frame represented on the graph.
  
4. Assume that a college student purchases only Ramen noodles and textbooks. If Ramen noodles are an inferior good and textbooks are a normal good, then the income effect associated with an increase in the price of a textbook will result in
  - a. a decrease in the consumption of textbooks and a decrease in the consumption of Ramen noodles.
  - b. a decrease in the consumption of textbooks and an increase in the consumption of Ramen noodles.
  - c. an increase in the consumption of textbooks and an increase in the consumption of Ramen noodles.
  - d. an increase in the consumption of textbooks and a decrease in the consumption of Ramen noodles.

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5. A U.S. publisher purchases new computers that were manufactured in the U.S. This purchase by itself makes
- a positive contribution both to investment and to GDP.
  - a positive contribution both to consumption and to GDP.
  - a positive contribution to GDP, but it does not affect investment or consumption.
  - a positive contribution to investment, but it does not affect GDP.

**Table 1**

A monopolist faces the following demand curve:

Quantity	Price
10	\$46
20	\$42
30	\$38
40	\$34
50	\$30
60	\$26
70	\$22
80	\$18
90	\$14
100	\$10

6. **Refer to Table 1.** If the marginal cost of production is constant at \$18 per unit, this profit-maximizing monopolist will choose to produce
- 20 units.
  - 30 units.
  - 40 units.
  - 50 units.
7. Jack and Diane each buy pizza and paperback novels. Pizza costs \$3 per slice, and paperback novels cost \$5 each. Jack has a budget of \$30, and Diane has a budget of \$15 to spend on pizza and paperback novels. Which consumer(s) can afford to purchase 5 slices of pizza and 3 paperback novels?
- Jack only

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- b. Diane only
- c. both Jack and Diane
- d. neither Jack nor Diane

**The Stock Market Boom of 2015**

Imagine that in 2015 the economy is in long-run equilibrium. Then stock prices rise more than expected and stay high for some time.

8. **Refer to Stock Market Boom 2015.** What happens to the expected price level and what impact does this have on wage bargaining?
- a. The expected price level falls. Bargains are struck for higher wages.
  - b. The expected price level falls. Bargains are struck for lower wages.
  - c. The expected price level rises. Bargains are struck for higher wages.
  - d. The expected price level rises. Bargains are struck for lower wages.
9. When there is a reserve requirement, banks
- a. must hold exactly the required quantity of reserves.
  - b. may hold more than, but not less than, the required quantity of reserves.
  - c. may hold less than, but not more than, the required quantity of reserves.
  - d. must seek the Fed's permission whenever they wish to expand or contract their loans to customers.
10. Which of the following could increase the labor-supply curve for computer-repair technicians?
- a. an increase in the wages paid to computer-repair technicians
  - b. an increase in immigration
  - c. a change in the work preferences of men, with more of them preferring to be stay-at-home fathers
  - d. an increase in the wages paid to television-repair technicians

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11. Which of the following is correct? When oligopolies collude
- they make higher profits and consumers of the product are better off.
  - they make higher profits but consumers of the product are worse off.
  - they make lower profits and consumers of the product are better off.
  - they make lower profits and consumers of the product are worse off.
12. As firms exit a monopolistically competitive market, profits of remaining firms
- decline, and product diversity in the market decreases.
  - decline, and product diversity in the market increases.
  - rise, and product diversity in the market decreases.
  - rise, and product diversity in the market increases.

**Table 2**

Labor Data for Aridia

Year	2010	2011	2012
Adult population	2,000	3,000	3,200
Number of employed	1,400	1,300	1,600
Number of unemployed	200	600	200

13. **Refer to Table 2.** The labor force of Aridia in 2012 was
- 1,600.
  - 1,800.
  - 3,000.
  - 3,200.

**Scenario 1**

Assume a certain firm in a competitive market is producing  $Q = 1,000$  units of output. At  $Q = 1,000$ , the firm's marginal cost equals \$15 and its average total cost equals \$11. The firm sells its output for \$12 per unit.

14. **Refer to Scenario 1.** At  $Q = 999$ , the firm's profits equal
- \$993.
  - \$997.
  - \$1,003.
  - \$1,007.

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15. With respect to the consumer price index, which of the following serves as an example of how the substitution bias arises? Between 2010 and 2011, the price of a pound of peanuts
- rises from \$0.80 to \$1.00 while the price of a loaf of bread rises from \$2.00 to \$2.50.
  - falls from \$0.90 to \$0.72 while the price of a loaf of bread falls from \$2.00 to \$1.60.
  - remains constant, as does the price of a loaf of bread.
  - None of the above serves as an example of how the substitution bias arises.
16. If a bank uses \$200 of excess reserves to make a new loan when the reserve ratio is 15 percent, this action by itself initially makes the money supply
- and wealth increase by \$200.
  - and wealth decrease by \$200.
  - increase by \$200 while wealth does not change.
  - decrease by \$200 while wealth decreases by \$200.
17. When a certain competitive firm produces and sells 100 units of output, marginal revenue is \$80. When the same firm produces and sells 200 units of output, what is average revenue?
- \$40
  - \$80
  - \$160
  - This cannot be determined from the given information.
18. In a competitive market the price is \$8. A typical firm in the market has  $ATC = \$6$ ,  $AVC = \$5$ , and  $MC = \$8$ . How much economic profit is the firm earning in the short run?
- \$0 per unit
  - \$1 per unit
  - \$2 per unit
  - \$3 per unit

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19. Which of the following statements is correct?

- a. The consumer price index is a measure of the overall level of prices, whereas the GDP deflator is not a measure of the overall level of prices.
- b. If, in the year 2011, the consumer price index has a value of 123.50, then the inflation rate for 2011 must be 23.50 percent.
- c. Compared to the GDP deflator, the consumer price index is the more common gauge of inflation.
- d. The consumer price index and the GDP deflator reflect the goods and services bought by consumers equally well.

20. Which of the following would be an example of capital for a computer software firm?

- (i) the firm's computer programmers
  - (ii) the wages the firm pays to its computer programmers
  - (iii) computer equipment
- a. (i) only
  - b. (ii) only
  - c. (iii) only
  - d. (i) and (iii) only

**II. Essay Questions (40%)**

1. (10%) You live in a town with 300 adults and 200 children, and you are thinking about putting on a play to entertain your neighbors and make some money. A play has a fixed cost of \$2000, but selling an extra ticket has zero marginal cost. Here are the demand schedules for your two types of customers:

price	Adults	Children
10	0	0
9	100	0
8	200	0
7	300	0
6	300	0
5	300	100
4	300	200
3	300	200

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2	300	200
1	300	200
0	300	200

- a. To maximize profit, what price would you charge for an adult ticket? For a child's ticket? How much profit do you make?
- b. The city council passes a law prohibiting you from charging different prices to different customers. What price do you set for a ticket now? How much profit do you make?

2. (10%) Below are some data from the land of milk and honey.(10%)

Year	Price of Milk	Quantity of Milk	Price of Honey	Quantity of Honey
2013	\$1	100 quarts	\$2	50 quarts
2014	\$1	200	\$2	100
2015	\$2	200	\$4	100

- a. Compute nominal GDP, real GDP, and the GDP deflator for each year, using 2013 as the base year.
  - b. Compute the percentage change in nominal GDP, real GDP, and the GDP deflator in 2014 and 2015 from the preceding year. For each year, identify the variable that does not change. Explain why your answer make sense.
3. (10%) The economy of Elmendyn contains 5,000 \$1 bills.
  - a. If people hold all money as currency, what is the quantity of money?
  - b. If people hold all money as demand deposits and banks maintain a reserve ratio of 10 percent, what is the quantity of money?
4. (10%) Consider an economy with two labor markets-one for manufacturing workers and one for service workers. Suppose initially that neither is unionized.
  - a. If manufacturing workers formed a union, what impact would you predict on the wages and employment in manufacturing?
  - b. How would these changes in the manufacturing labor market affect the supply of labor in the market for service workers? What would happen to the equilibrium wage and employment in this labor market?