每題 2.5 分答錯不倒扣

1. The slope of the production possibility frontier shows

   a. the marginal rate of substitution between the two goods.
   b. the relative marginal costs of the two goods.
   c. the efficient combination of outputs possible using fixed amounts of input.
   d. the relative marginal productivities of the two goods.

2. Assume the marginal rate of substitution between two goods is +5.　The equilibrium solution will be

   a. indeterminant.
   b. a corner solution.
   c. stable.
   d. none of the above

3. Suppose that after a price change, the income effect is zero but the substitution effect is not.　Which of the following statements is true?

   a. The quantity demanded of the good is inversely related to its price.
   b. The quantity demanded of the good is positively related to its price.
   c. The demand curve for the good is completely inelastic.
   d. The demand curve for the good is completely elastic.

4. In 1976, a frost in Brazil killed over 500 million coffee trees and damaged many more.　In spite of this calamity, Brazil reported an increase in export earnings.　On the basis of this information, which of the following must be true?

   a. The demand for coffee is price elastic.
   b. The supply of coffee is price elastic.
   c. The demand for coffee is price inelastic.
   d. The supply of coffee is price inelastic.

5. Fred's von Neumann-Morgenstern utility function is represented by $U = \ln(a+M)$, a > 0, where M is monetary gain.　Which of the following statements is true?

   1. Fred is risk averse.
   2. Fred's marginal utility of monetary gain is a decreasing function of monetary gain.
   3. Fred will prefer the certainty of an income of B to a gamble in which there is a 0.5 probability that income is $B/2$ and a 0.5 probability his income is $3B/2$.

   a. 1 and 2
   b. 2 and 3
   c. 1 and 3
   d. 1, 2 and 3

6. Diminishing returns to a variable factor of production in the short run means that the firm will experience.

   a. increasing returns to scale.
   b. decreasing returns to scale.
   c. constant returns to scale.
   d. a, b, or c.

7. An income-consumption curve

   a. is the same thing as the Engel curve.
   b. can be used to derive an Engel curve.
   c. is based on holding income constant.
   d. none of the above.

Questions 8-11 are based on the following information.　Kentucky Coal sells its coal in a nearly perfectly competitive market.　It estimates its total costs of production as $TC = 200 + 5Q + 0.02(Q^2)$, where Q = tons of coal per day.

8. Kentucky Coal has fixed costs that

    a.　are $0.
    b.　are $5.
    c.　are $200.
    d.　cannot be determined using this information.

9. When its output is 125 tons of coal per day, Kentucky Coal Company has variable costs equal to

    a.　$937.5.
    b.　$200.
    c.　$205.02.
    d.　$325.

10. If the market price of coal is $20 per ton, what is the profit-maximizing level of output from Kentucky Coal?

    a.　60 tons.
    b.　200 tons.
    c.　375 tons.
    d.　Kentucky Coal should shut down.

11. At this price and level of output, Kentucky Coal will earn

    a.　economic profits of $2612.50.
    b.　economic profits of $5417.50.
    c.　losses of $4,887.5.
    d.　losses of $200.

12. The Sloppy Burger Diner sells burger platters for $4 each.　No matter how many platters are sold, the marginal cost is $4.　Demand in the market is given by $P = 20 - 0.5Q$.　The local college crowd decides that Sloppy's is a great place to hang out.　Demand for burger platters doubles.　As a result, producer surplus will

    a.　double.
    b.　increase by the amount of consumer surplus.
    c.　be zero.
    d.　become equal to consumer surplus.

13. A monopolist reduces its price from $30 to $20, this results in an increase in sales.　Marginal revenue from the reduction is

    a.　less than $20.
    b.　between $20 and $30.
    c.　exactly $20.
    d.　more than $30.

14. To profit-maximizing using markup pricing, all that a firm's manager needs to know is the firm's

    a.　elasticity of demand.
    b.　average cost and elasticity of demand.
    c.　marginal cost and elasticity of demand.
    d.　marginal revenue and marginal cost.

15. Which of the following is not true about a monopolistically competitive firm?

    a. Likely to produce less and set a higher price than under perfect competition.
    b. Tends to operate with excess capacity.
    c. Earns zero profit in the long run.
    d. Long-run equilibrium is at point of minimum average cost.

16. A profit-maximizing firm in an imperfectly competitive product market will hire inputs up to the point where

    a. marginal revenue product equals the price of the product.
    b. marginal revenue product of each input equals the price of each input.
    c. marginal product equals the price of each input.
    d. marginal revenue equals the marginal product.

17. If a tax is levied against the very rich and the income redistributed to the poor, we know that

    a. society is better off.
    b. society is worse off.
    c. the poor are better off.
    d. none of the above.

18. The relationship between changes in income and purchase of a good indicates

    a. whether the good is a luxury or necessity.
    b. whether the good is normal or inferior.
    c. whether the good is a complement or substitute.
    d. Both a and b.

19. Which of the following statements is true?

    a. Positive economic analysis involves how resources are actually used.
    b. Positive economic analysis involves how resources should be used.
    c. Normative economic analysis involves the study of what comprises a firm.
    d. a and c.

20. An individual will never buy complete insurance if

    a. he or she is risk averse.
    b. insurance premiums are unfair.
    c. he or she is a risk taker.
    d. insurance premiums are fair.

21. Deflation occurs when:

    a real GDP decreases.
    b the unemployment rate decreases.
    c prices fall.
    d prices increase, but at a slower rate.

22. If real GDP grew by 6 percent and population grew by 2 percent, then real GDP per person grew by approximately _____ percent.

    a 2
    b 3
    c 4
    d 8

23. A farmer grows wheat and sells it to a miller for \$1; the miller turns the wheat into flour and sells it to a baker for \$3; the baker uses the flour to make bread and sells the bread for \$6. The value added by the miller is:

    a \$1.
    b \$2.
    c \$3.
    d \$6.

24. If the consumption function is given by $C = 500 + 0.5(Y - T)$, and Y is 6,000 and T is given by $T = 200 + 0.2Y$, then C equals:

    a 2,500.
    b 2,800.
    c 3,500.
    d 4,200.

25. Assume that equilibrium GDP (Y) is 5,000. Consumption is given by the equation $C = 500 + 0.6Y$. Investment (I) is given by the equation $I = 2,000 - 100r$, where r is the real interest rate in percent. No government exists. In this case, the equilibrium real interest rate is:

    a 2 percent.
    b 5 percent.
    c 10 percent.
    d 20 percent.

26. The rate of inflation is the:

    a median level of prices.
    b average level of prices.
    c percentage change in the level of prices.
    d measure of the overall level of prices.

27. The income velocity of money:

    a is defined in the identity $MV = PY$.
    b is defined in the identity $MV = PT$.
    c is the same thing as the transactions velocity of money.
    d will be smaller than the transactions velocity of money if the quantity of transactions is greater than income.

28. People use money as a medium of exchange when they:

    a hold money to transfer purchasing power into the future.
    b use money as a measure of economic transactions.
    c use money to buy goods and services.
    d hold money to gain power and esteem.

29. The unemployment insurance system may be desirable because unemployment insurance:

    a raises the natural rate of unemployment.
    b reduces the rate of job finding.
    c increases workers' uncertainty about their incomes.
    d induces workers to reject unattractive job offers.

30. Wage rigidity:

    a forces labor demand to equal labor supply.
    b is caused by sectoral shifts.
    c prevents labor demand and labor supply from reaching the equilibrium level.
    d increases the rate of job finding.

31. *All* of the following are reasons for frictional unemployment *except*:

    a workers have different preferences and abilities.
    b unemployed workers accept the first job offer that they receive.
    c the flow of information is imperfect.
    d geographic mobility takes time.

32. Government debt equals the:

    a difference between current government purchases and taxes.
    b difference between saving and investment.
    c sum of past budget deficits and surpluses.
    d $M1$ money supply.

33. In a time of inflation when the government budget is balanced in the conventional sense, the real (i.e., deflated) value of the government debt is:

    a growing at the rate of inflation.
    b growing, but at a rate less than the rate of inflation.
    c constant.
    d decreasing at the rate of inflation.

34. John Maynard Keynes believed that the marginal propensity to consume:

    a was zero.
    b was between zero and one.
    c was one.
    d increased as income increased.

35. The average propensity to consume is the:

    a ratio of consumption to income.
    b amount consumed out of an additional dollar of income.
    c amount available for consumption after precautionary saving.
    d ratio of consumption to wealth.

36. In the Keynesian-cross model, actual expenditures equal:

    a GDP.
    b the money supply.
    c the supply of real balances.
    d unplanned inventory investment.

37. The tax multiplier indicates how much _____ change(s) in response to a $1 change in taxes.

    a the budget deficit
    b consumption
    c income
    d real balances

38. *All* of the following are types of macroeconomics data *except* the:

    a price of an IBM computer.
    b growth rate of real GDP.
    c inflation rate.
    d unemployment rate.

39. A firm's economic profit is:
    a the price of output minus the wage minus the rental price of capital.
    b revenue minus costs.
    c revenue plus capital costs.
    d the price of output minus labor costs.

40. The *nominal* interest rate is the:

    a rate of interest that investors pay to borrow money.
    b same as the real interest rate.
    c rate of inflation minus the real rate of interest.
    d real rate of interest minus the rate of inflation.