

國立中央大學九十學年度轉學生入學試題

經濟學系 三年級

科目：

總體經濟學

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全部為單選題

Multiple Choice Questions (5 points each). Choose the answer you believe to be correct or most nearly correct and explain your answer very briefly.

1. Which of the following is a way in which the Fed can increase the money supply?
 - (a) selling government bonds to banks via open market operations
 - (b) increasing the required reserve ratio
 - (c) decreasing the discount rate
 - (d) all of the above
2. Which of the following is NOT a reason why investment is more volatile than consumption?
 - (a) investment is more sensitive to expectations
 - (b) capital goods are more durable than consumption goods
 - (c) technological innovations occur in jumps
 - (d) investment is very sensitive to fluctuations in government expenditures (the "crowding out" effect)
3. When taxes are proportional to income, instead of lump sum, then
 - (a) fiscal policy is more effective, because the multiplier increases in value
 - (b) fiscal policy is less effective, because the multiplier decrease in value
 - (c) fiscal policy is equally effective, because the multiplier does not change
 - (d) fiscal policy becomes contra-effective, because the multiplier become negative
4. Suppose that the interest rate is extremely low. Which of the following is likely to be the most effective policy if the goal is to increase output?
 - (a) An increase in government spending.
 - (b) An increase in taxes.
 - (c) An increase in the money supply, because of the liquidity trap.
 - (d) An increase in the money supply, because of crowding out.
5. Suppose that the economy is in a recession and the government wants to stimulate output. At the same time, however, it wants to keep the interest rate unchanged to avoid possible crowding out. Which of the following policy measures can achieve that goal?
 - (a) An increase in taxes and a decrease in the money supply.
 - (b) An increase in both government spending and the money supply.
 - (c) A decrease in both taxes and the money supply.
 - (d) None of the above.
6. Consider the IS-LM model with the price level as an exogenous variable. An increase in the price level leads to :
 - (a) A shift of the IS curve to the left because of a decrease in consumption.
 - (b) A shift of the IS curve to the right because of an increase in investment.
 - (c) A shift of the LM curve to the left.
 - (d) A shift of the LM curve to the right.

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7. According to the Solow model, which of the following can NOT explain why some countries are richer than others (in terms of GDP per capita)?
- (a) Richer countries had a higher initial capital stock.
 - (b) Richer countries have had higher saving rates.
 - (c) Richer countries have had lower depreciation rates.
 - (d) Richer countries have had higher "Solow residuals".
8. A weakness of the classical model is
- (a) the quality of its explanations for long-run movements of the economy
 - (b) its confusion between the long and short run
 - (c) its assumption that the labor market always clears
 - (d) its treatment of crowding out in the long run
9. Each point on the labor demand curve provides an expression for
- (a) the opportunity cost of working
 - (b) workers' calculations about the work-leisure tradeoff
 - (c) the equilibrium wage
 - (d) the benefits obtained by some firm from the last worker hired
10. Why does unemployment remain so high after an initial positive shock to job destruction?
- (a) job creation does not increase enough to absorb all the workers
 - (b) because shocks to job destruction are large and long-lasting
 - (c) job creation never increases but remains low and steady
 - (d) job creation does not go up until well after the recession is over
11. An example of a leading indicator of economic activity, as the term is used in forecasting, is:
- (a) the unemployment.
 - (b) construction contract awards.
 - (c) transfer payments.
 - (d) the structural deficit.
12. When we say that people make unbiased forecasts of inflation, we mean that:
- (a) they might be too high or too low but there is no persistent tendency to be too high or too low.
 - (b) they assume that next year's inflation rate will be equal to this year's rate.
 - (c) they tend to underestimate inflation but to overestimate real growth.
 - (d) they are able to forecast inflation with great accuracy, surely within one or two points.
13. The Lucas critique, if indeed it is valid, is a devastating blow to:
- (a) Okun's Law.
 - (b) the market system.
 - (c) rational expectations.
 - (d) the monetarist rule.

參考用

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14. Supply-siders, as opposed to Keynesians, place more emphasis on :
- (a) measures to increase the growth of potential output.
 - (b) management of aggregate demand so as to smooth out the business cycle.
 - (c) maintaining a steady rate of growth in the money supply.
 - (d) controlling interest rates so as to keep velocity of money stable.
15. The argument that a policy decision to push unemployment below the natural rate would very quickly give us accelerating inflation is based on:
- (a) Solow's neoclassical growth model.
 - (b) rational expectations.
 - (c) the multiplier.
 - (d) Okun's Law.
16. Automatic stabilizers reduce fluctuations in GDP by
- (a) eliminating spending shocks
 - (b) reducing the additional spending that occurs in each round of the multiplier.
 - (c) increasing saving
 - (d) reducing the need for government involvement in the economy
17. The reason the short-run Keynesian model of the economy suggests the economy can operate above or below its potential and in the long-run classical model the economy operates automatically at full employment is that
- (a) the Keynesian model is flawed and inaccurate
 - (b) the classical model is flawed and inaccurate
 - (c) the two models measure completely different aspects of the economy
 - (d) in the short run, spending affects output, but not in the long run
18. Which of the following is an accurate description of the aggregate demand curve?
- (a) it is the sum of all individual demand curves for all products
 - (b) it shows all price levels at which firms' unit costs equal their percent markups
 - (c) it shows the equilibrium level of GDP associated with each price level
 - (d) it shows the relationship between firms' unit costs and their percentage markups
19. According to the self-correcting mechanism, if a negative demand shock occurs,
- (a) a decrease in wage rates will lead to a decrease in the price level so that the economy returns to full employment
 - (b) the price level will increase, causing equilibrium GDP to return to its original level
 - (c) the wage rate will eventually increase, restoring GDP to its full-employment level
 - (d) there will be no effect in the long run
20. If over the next year real output grows by 4% and prices rise by 2%, and if the money supply grows by 9%, then
- (a) velocity will increase by 3%.
 - (b) velocity will decrease by 6%.
 - (c) we would expect interest rates to fall.
 - (d) we would expect interest rates to rise.

