

國立中央大學九十一年度轉學生入學試題卷

經濟學系 三年級

科目：總體經濟學

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This test includes 20 multiple-choice questions in each part. You only need to write down the correct answer and need not give explanation. (Each question has only one correct answer and accounts for 5 points)

1. For a small open economy with perfect capital mobility, which of the following policy can increase a highest income level in the short run? (A) an increase in money supply in a fixed exchange rate system (B) an increase in government purchase in a floating exchange rate system (C) a decrease in imports in a floating exchange rate system (D) a decrease in income tax in a fixed exchange rate system (E) none of the above.
2. Continuing with question 1, the event of the correct answer in question 1 can increase the income level because it results in an increase in (A) consumption (B) investment (C) government purchase (D) net export (E) all of the above.
3. Continuing with question 1, which of the following policies will result in an increase in money supply in the end? (A) an increase in money supply in a fixed exchange rate system (B) an increase in government purchase in a floating exchange rate system (C) a decrease in imports in a floating exchange rate system (D) a decrease in income tax in a fixed exchange rate system (E) none of the above.
4. Which of the following conditions may lead to speculative attacks in the foreign exchange market except (A) adopting a fixed exchange rate (B) the domestic currency is overvalued (C) adopting a contractionary monetary policy (D) The market equilibrium interest rate is very low.
5. The introduction of individual retirement accounts in a closed economy raises the after-tax interest rate on saving for retirement. The substitution effect of this change is (A) an increase in saving, which reinforces the income effect. (B) an increase in saving, but the income effect is a reduction in saving. (C) a reduction in saving, which reinforce the income effect. (D) a reduction in saving, but the income effect is an increase in saving. (E) an increase in saving, with no offsetting income effect.
6. Which of the following statements regarding the Solow growth model is not correct if the initial capital labor ratio is lower than the golden rule level? (A) an increase in the saving rate will initially increase consumption. (B) an increase in the saving rate will initially increase investment (C) an increase in the saving rate will initially increase the output. (D) None is incorrect.
7. If the economy has a downwardly rigid wage and excess capacity, an increase in capacity shifts (A) the aggregate supply curve rightward, but has no effect on the price level (B) the aggregate supply curve rightward, and lowers the price level (C) neither aggregate supply nor aggregate demand with the result that the price level is unaffected (D) the aggregate demand curve rightward, and raises the price level (E) the aggregate demand curve rightward, but has no effect on the price level.
8. When the central bank increases the money supply, the interest rate eventually increases without decreasing in the beginning. This situation indicates most likely that (A) the liquidity preference effect is dominated by the income effect (B) the liquidity preference effect is dominated by the expected-inflation effect (C) the liquidity effect is dominated by the price-level effect (D) the expected-inflation effect appears very fast (E) All are correct.
9. Which of the following events will result in an increase in real money demand (A) an increase in the price level (B) an increase in the nominal interest rate (C) an increase in the expected inflation rate (D) an increase in the number of the ATM machines.
10. If the GDP and GNP of Taiwan is initially the same, then which of the following event will result in a larger GDP than GNP? (A) many professors who used to teach at the USA returned to Taiwan (B) Many Taiwanese companies invest in the Mainland China (C) IBM increases its purchases from the Taiwanese computer companies (D) Taiwanese banks lend capital to foreign companies and earn interests from them (E) all of the above.

參考用

注意：背面有試題

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Please answer the question from 11 to 15 with the following open macroeconomics model of floating exchange rates: (* means the variables for foreign country)

$$C = c(Q-T) - ai + c^*[Q - T]^*$$

$$I = \bar{I} - bi - dMPK^E$$

$$(M-P) = vQ - fi$$

$$TB = h_0(A^* - P^*_M) - h_1(A - P) + h_2(E + P^*_M - P)$$

$$i = i^*$$

11. What is the multiplier for government spending G ? (A) $(1 - h_1)/(1 - c)$. (B) $1/(1 - c(1 - h_1))$. (C) $c/(1 - c(1 - h_1))$. (D) $(1 - h_1)/(1 - c(1 - h_1))$. (E) None is correct.
12. If you derive the aggregate demand function, then which is the correct specification for the following coefficients? (A) The coefficient for MPK^E is $d/(1 - c(1 - h_1))$. (B) The coefficient for i^* is $-(a+b)/(1 - c(1 - h_1))$. (C) The coefficient for T is $(1 - h_1)/(1 - c(1 - h_1))$. (D) The coefficient for A^* is $h_0(1 - h_1)/(1 - c(1 - h_1))$. (E) None is correct.
13. If the aggregate supply function is $Q_s = \bar{Q}$, then the equilibrium exchange rate can be calculated out. Now if the central bank increases the money supply by one percentage point, then what will happen to the equilibrium nominal exchange rate? (A) It will increase by $(h_1 - h_0)/h_2$ percentage point. (B) It will increase by h_0/h_2 percentage point. (C) It will increase by $(a+b)/(h_2(1 - h_1))$ percentage point. (D) It will increase by one percentage point. (E) None is correct.
14. If the aggregate supply function is $Q_s = \bar{Q}$, now if the central bank increases the money supply by one percentage point, then what will happen to the equilibrium real exchange rate? (A) It will stay the same. (B) It will decrease by h_0/h_2 percentage point. (C) It will decrease by $(a+b)/(h_2(1 - h_1))$ percentage point. (D) It will decrease by one percentage point. (E) None is correct.
15. If government increase its spending by \bar{G} , then what is the amount of crowding out effect? (A) $\bar{G}(1 - c)/(h_2(1 - h_1))$. (B) $c\bar{G}/(h_2(1 - h_1))$. (C) $\bar{G}(1 - c)/(1 - h_1)$. (D) $\bar{G}/(1 - h_1)$. (E) \bar{G} .
16. Which of the following statement is correct in a two period equilibrium model which includes both households and business and business pay dividends to households? (A) If a firm chooses to save more (pay less dividends to household), then the private saving will increase. (B) If a firm chooses to save more (pay less dividends to household), then the private saving will decrease. (C) If a firm chooses to save more (pay less dividends to household), then the personal saving will increase. (D) If a firm chooses to save more (pay less dividends to household), then the personal saving will decrease. (E) None is correct.
17. Which of the following production function is consistent with the Accelerator model of investment? ($K^* = hQ$) (A) $Q = \min(K, L)$. (B) $Q = \ln K + \ln L$. (C) $Q = (K^\alpha + L^\alpha)^{1/\alpha}$. (D) $Q = K^\alpha L^{1-\alpha}$
Please answer the question from 18 to 20 with a two period equilibrium model with government. Assume that consumers follow the permanent income hypothesis.
18. If the government of a small country with capital mobility increases its expenditure in the first period and finances it with the same amount of tax increase, then in the first period (A) Its domestic interest rate will increase. (B) Its national saving will stay the same. (C) Its current account will stay the same. (D) Its current account will have deficit. (E) None of the statements is correct.
19. If the government of a small country with capital control increases its expenditure in the first period and finances it with the same amount of tax increase, then in the first period (A) Its domestic interest rate will increase. (B) Its national saving will stay the same. (C) Its current account will stay the same. (D) Its current account will have deficit. (E) None of the statements is correct.
20. If the government of a large country with capital mobility increases its expenditure in the second period and finances it with the same amount of tax increase at the same period, then in the first period (A) Its domestic interest rate will increase. (B) Its national saving will stay the same (C) Its current account will stay the same. (D) Its current account will have deficit. (E) None of the statements is correct.

參考用