一、（70%）Multiple Choice (There is only one correct answer. Each question weights equally.)

1. The utility function of Mr. Wagn is $U = q_1^{1.5} q_2$. With the budget constraint $3q_1 + 4q_2 = 150$, the equilibrium composition of q_1 and q_2 is:
   - (1) $q_1 = 36$, $q_2 = 10.5$,
   - (2) $q_1 = 30$, $q_2 = 15$,
   - (3) $q_1 = 24$, $q_2 = 19.5$,
   - (4) none of the above.

2. A worker's earnings could _____ when his (or her) wage rate increase.
   - (1) increase,
   - (2) decrease,
   - (3) be unchanged,
   - (4) all of the above.

3. Which of the following productions is constant return to scale? (Y: output; L: labor; K: capital; M: material)
   - (1) $LnY = 10 + 0.3LnL + 0.5LnK + 0.2LnM$.
   - (2) $LnY = 10 + 10LnL + 10LnK + 10LnM$.
   - (3) $LnY = 10 + 10Ln(L^{1/3}) + 10Ln(K^{1/3}) + 10Ln(M^{1/3})$.
   - (4) None of the above.

4. Which of the following markets could be described by the cobweb model?
   - (1) The agriculture product market.
   - (2) The educational market.
   - (3) The housing market.
   - (4) All of the above.
   - (5) None of the above.

5. Suppose a car buyer cares of the air-pollution produced by the vehicle, then the slope of his (or her) indifference curve between cars and air-pollution is
   - (1) positive.
   - (2) negative.
   - (3) zero.
   - (4) infinite.

6. The inverse demand function of cigarette is $P = 40 - 3Q$, while the inverse supply function is $P = 20 + 2Q$. Suppose the government taxes away $10 per unit of cigarette from the manufacture.
   - (1) The equilibrium price is $40.
   - (2) It is impossible to completely transfer the tax amount to the customers.
   - (3) The suppliers got $34 from the customer for one unit selling of the cigarette.
   - (4) All of the above.
   - (5) None of the above.

7. Suppose we take the supply of housing in a given area to be fixed in the short run. If taxes on apartment house owners are increased, how much of this tax will they be able to pass along to consumers?
   - (1) It depends on the elasticity of the demand curve.
   - (2) It depends on the structure of the tax policy.
   - (3) None of the tax can be passed along to consumers.
   - (4) All of the tax can be passed along to consumers.

注意：背面有試題

8. In a closed economy, the government decides to adopt a balanced-budget policy at the level of government expenditure being 40. Private investment equals 120. Suppose the full employment income is 900 and the consumption function is specified as $C = 40 + 0.80(Y - T)$. Then ~

　　Statement a: The disposable income is 850.

　　Statement b: The investment multiplier is 1.25 in this economy.

　　Statement c. There exists a deflationary gap in this society.

　(1) Only statement a is true.

　(2) Both statements a and b are true.

　(3) Both statements a and c are true.

　(4) All of statements a, b and c are correct.

　(5) None of the statement is correct.

9. Mrs. Yang quit her job to take care of her father who had suffered heart attached last week.

　(1) The aggregate unemployment rate increases but the labor force participation rate decrease.

　(2) Both the aggregate unemployment rate and the labor force participation rate increase.

　(3) Both the aggregate unemployment rate and the labor force participation rate decrease.

　(4) The aggregate unemployment rate increase but it is nothing to do with the labor force participation rate of the economy.

10. The price in a market of oligopoly is relatively stable, because.

　　a. the cost structure is relatively stable.

　　b. the demand curve is kinked.

　　c. firms are relatively insensitive to the reaction of their competitors.

　　d. firms concern their competitors' reaction.

　(1) Statements a, b, and c are correct.

　(2) Statements a, b, and d are correct.

　(3) Only statements a and c are correct.

　(4) Only statements b and d are correct.

二、Short Essays (30%)

Describe the recent performance of the Taiwanese labor market, including *the earnings inequality, unemployment rate, labor force participation, union, labor related laws*, etc. Please also comment on the corresponding *government policies* if there is any.