

淡江大學八十九學年度碩士班招生考試試題

系別：國際貿易學系

科目：總體經濟學

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1. "The size of the fiscal policy multiplier depends on the slope of the LM curve at the initial equilibrium point. A given increase in g (government expenditure) and shift in IS will yield a large increase in y (real output or real income), if the economy begins at a point of high unemployment and low interest rates. But if the g increase comes in a tight economy near full employment, there will be little effect on y , with a large increase in r squeezing out an amount of investment demand nearly equal to the g increase." Comment please. (20%)

2. Increasing the interest rate reduces the level of planned investment. Explain the above statement carefully. (20%)

3. The most "revolutionary" hypothesis in macroeconomics (since the appearance of Keynes' General Theory) is that of "rational expectations". Three basic propositions follow from this hypothesis:
 - 1) The non-existence of Phillips curve in the long run. (10%)
 - 2) The trade off between the unemployment rate and the inflation rate can be explained by expectations. (10%)
 - 3) Stabilization policies do not have an impact on the unemployment rate in the long run. (10%)

Evaluate these propositions.

4. Explain carefully how each of the following influences would affect real consumption, investment in inventory, and the trade balance.
 - 1) There is an increase in the demand for money at all levels of incomes. (15%)
 - 2) There is a general change in price expectations such that everyone in the economy expects prices to rise by 3 % per year rather than the previously expected 5 % per year. (15%)