

淡江大學九十四學年度碩士班招生考試試題 ¹⁶⁴⁻¹

系別：管理科學研究所

科目：經濟學

准帶項目請打「V」

簡單型計算機

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I. Report reading (60%)

The world's giant money printing-press

HOW loose is the world's monetary policy? One gauge is that real interest rates in America and other countries are still negative. Another is that global liquidity has been expanding at its fastest pace for at least 30 years. This deluge largely reflects the combined effects of American and Asian monetary policies.

Our measure of "global liquidity" consists of the sum of America's monetary base (notes and coins plus banks' reserves held at the Federal Reserve) and foreign-exchange reserves held by central banks around the world. In both 2003 and 2004 this rose at annual rates of more than 20%. In no other two-year period since 1975 has liquidity increased by so much.

America's easy-money policy of recent years has spilled abroad. Low American interest rates have encouraged large inflows of capital into emerging economies, especially in Asia, as investors have sought higher returns. Central banks have then tried to resist the consequent upward pressure on their currencies by buying foreign exchange, mainly dollars. When a central bank does this, it credits domestic commercial banks with deposits (ie, the monetary base expands) encouraging banks to lend more.

Central banks are supposedly the guardians of money. Yet between them they may have created the biggest liquidity bubble in history.

1. Please summarize the above report.
2. Could you find relevant economic theories related to the above report?
3. If you are the chairperson of Taiwan's central bank, what would you do?

II. Please comment the following short sentences (40%)

4. The "flow concerns" might be better than "stock concerns" while investing securities.
5. The security market will boom up while unemployment rate is declining.