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淡江大學 107 學年度日間部轉學生招生考試試題

系別：全財管學程二年級

科目：經濟學(以全英語命題及答題)

考試日期：7月26日(星期四) 第2節

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(Please write down your answers in English)

1. In Taipei, the price elasticity of demand for bus rides is -0.5 , the income elasticity of demand for bus rides is -0.1 , and the cross elasticity of demand for bus rides with respect to gasoline is 0.2 .
 - (a) (8 points) Would an increase in bus fares increase the bus company's total revenue? Explain your answer.
 - (b) (8 points) If the price of gasoline increases by 10 percent with no change in the price of a bus ride, how will the number of bus ride change?
 - (c) (8 points) If income in Taipei increases by 5 percent with no change in the price of a bus ride, how will the number of bus rides change?
 - (d) (8 points) In Taipei, is a bus ride a normal good or an inferior good? Why?
 - (e) (8 points) In Taipei, are bus rides and gasoline substitutes or complements? Why?

2.
 - (a) (10 points) Suppose that the labor market is in a perfect competition structure. Please draw a diagram to analyze the change of social welfare if the government set up a 'minimum wage requirement'.
 - (b) (10 points) It has been argued that 'minimum wage requirement' does not work to help the vulnerable workers. Do you agree or disagree with that argument? Please explain.

3. The Fed threw a lot of money at the financial crisis in 2008 to unfreeze credit markets and encourage economic activity. This policy was implemented by purchasing government bonds worth \$300 billion between March and September 2009.
 - (a) (10 points) How would this purchase of \$300 billion of government securities influence the interest rate? Please explain with a money market graph.
 - (b) (10 points) Please use the AD-AS model to show how the purchase of government securities would affect the aggregate output and general price level.

4. Would each of the following events, *ceteris paribus*, cause the dollar to appreciate against the euro or to depreciate? Please illustrate your answer with a graph.
 - (a) (10 points) GDP of the countries in the euro zone falls.
 - (b) (10 points) the Fed raises interest rates and signals faster hikes on the way.