1. Which of the following quotations best captures the idea of opportunity cost?
   a. “Opportunity knocks but once.”
   b. “Every choice involves a sacrifice.”
   c. “Let’s not ask for the moon; we have the stars.”
   d. “Fools rush in where wise men fear to tread.”
   e. “All that glitters is not gold.”

2. What is the opportunity cost of economic growth?
   a. Investment in the current time period.
   b. Improved technology in the current time period.
   c. Capital goods in the current time period.
   d. Consumption in the current time period.

3. Last year, 1,000 cases of elixir were sold at $10; this year, 1,200 cases were sold at $12. The most probable interpretation of these data is that the
   a. supply and demand curves are shifting to the right.
   b. supply and demand curves are shifting to the left.
   c. supply curve has shifted to the left, with no change in demand.
   d. demand curve has shifted to the right, with no change in supply.

4. It is generally recognized by economists that rent controls cause shortages in housing, yet rent controls tend to persist. Why does this occur?
   a. Many people do not understand the effects that controls cause.
   b. Property owners are unpopular politically.
   c. Many persons tend to benefit from rent controls.
   d. all of the above

5. High price and low total utility indicate
   a. low marginal utility.
   b. large quantities are sold.
   c. high marginal utility.
   d. a high price/marginal utility ratio.

6. In Figure A, the line AB is
   a. an indifference curve.
   b. a budget line.
7. In Figure A, the consumer can afford any combination of X and Y represented by
   a. a point on line AB only.
   b. a point on or below line AB.
   c. a point on or above line AB.
   d. a point anywhere on the graph.

8. In Figure A, the slope of the budget line (dropping all minus signs) equals
   a. price of good X/price of good Y.
   b. price of good Y/price of good X.
   c. the minimum number of units of good Y the consumer would have to receive to make him willing to give up one unit of good X.
   d. the minimum number of units of good X the consumer would have to receive to make him willing to give up one unit of good Y.

9. Production costs for a given output will be minimized when
   a. the budget line and the product indifference curve meet in the vertical axis.
   b. the budget line crosses the product indifference curve.
   c. the budget line begins to bend back on itself.
   d. the product indifference curve and the budget line are tangent.

10. Sally leaves her $14,000 secretarial position with a company and invests her savings of $15,000 (on which she was earning 6 percent interest) in her own Ready Sec agency. After expenses, her net income was $18,900. Her economic profit was
    a. $4,900.
    b. $4,000.
    c. $18,900.
    d. -$10,100.

11. The free-market system coordinates output decisions by
    a. pushing up price when there is a shortage.
    b. pushing down price when quantity demanded exceeds quantity supplied.
    c. pushing up price when there is a surplus.
    d. pushing up price when quantity supplied exceeds quantity demanded.

12. A profit-maximizing monopolist
    a. is just as socially efficient as a perfectly competitive firm in allocating resources to production since he, too, seeks the largest return on his investment.
    b. produces an output level at which marginal utility exceeds marginal cost.
    c. produces more output than a perfectly competitive industry.
    d. always produces in the inelastic region of his demand curve.

13. Minimum wage laws usually
    a. increase the number of unskilled workers who are employed.
    b. benefit all unskilled workers.
    c. raise the wages paid to unskilled workers who are employed.
    d. All of the above are correct.

14. By law, employers in the United States may not ask prospective female employees whether they plan to have babies. The existence of this law seems most likely to
    a. increase the probability that firms will practice economic discrimination against women.
    b. decrease the probability that firms will practice economic discrimination against women.
    c. increase the probability that firms will practice statistical discrimination against women.
15. A real estate salesperson sells a house in 1999 that was built in 1990. How does this transaction get counted in the GDP statistics?
   a. The price of the house and the real estate salesperson's commission are both included in 1999's GDP.
   b. Neither the price of the house or the commission is included in 1999's GDP.
   c. The real estate salesperson's commission but not the price of the house is included in 1999's GDP.
   d. The price of the house would be included in both 1990's GDP and the GDP for 1999.

16. Assume that the MPC is .80 and investment rises by $50 million. How much additional saving will this generate in the first round of spending?
   a. $10 million
   b. $50 million
   c. $80 million
   d. $100 million
   e. $250 million

17. If scientific research produces a technological breakthrough in the production of computer memory, then
   a. business costs will increase, profits will fall, and production will decrease.
   b. business costs will fall, but profits will also fall, and production will decrease.
   c. business costs will fall, profits will improve, and production will increase.
   d. profits will increase allowing businesses to cut back production.

18. President Clinton, at the beginning of his administration, increased personal income taxes on individuals with relatively high incomes. How will this change the consumption schedule?
   a. It will shift and become steeper.
   b. It will shift and become flatter.
   c. It will shift in a parallel manner.
   d. It will remain fixed as the economy moves along the schedule.

19. The deposit creation formula can be defined as
   a. one minus the required reserve ratio.
   b. the same as the GDP income multiplier.
   c. the reciprocal of the required reserve ratio.
   d. one plus the required reserve ratio.

20. A deficit will burden future generations
   a. because the obligation to pay it off must be faced sooner or later.
   b. if it produces higher interest rates when the economy is near full employment.
   c. because future generations will have to pay taxes to fund the interest payments to Americans who hold the debt.
   d. All of the above are correct.

二、論述題，合計40分。
1. 需求曲線上任意點的價格彈性，可以用通過該點的切線來求算。請繪圖加以說明。（15分）

2. 最近幾個月原油價格達到近年新高，但是對於整體經濟的衝擊並沒有像七○年代般明顯，試分析闡述可能的原因。（15分）

3. 請以價格與數量為軸（P-Q），幫平均成本（AC）、平均固定成本（AFC）、平均變動成本（AVC）、邊際成本（MC）繪圖，並說明其相互間的關係。（10分）