PART I:

The Circular Flow Diagram

1. Refer to The Circular Flow Diagram. Which arrow represents the flow of spending by households?
   a) A  c) C
   b) B  d) D

2. Refer to The Circular Flow Diagram. Which arrow represents the flow of goods and services?

3. Refer to The Circular Flow Diagram. Which arrow represents the flow of land, labor, and capital?
   a) A  c) C
   b) B  d) D

4. Refer to The Circular Flow Diagram. Sonia completes her first week of employment working as a hairdresser at a salon. On Friday of that week, she receives her first paycheck. To which of the arrows does this transaction directly contribute?
   a) B only  c) C only
   b) A and B  d) C and D

PART II:

The opportunity cost of meat and potatoes

Assume that the farmer and the rancher can switch between producing meat and producing potatoes at a constant rate.

<table>
<thead>
<tr>
<th></th>
<th>Labor Hours Needed to Make 1 Pound of</th>
<th>Pounds Produced in 24 Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Meat</td>
<td>Potatoes</td>
</tr>
<tr>
<td>Farmer</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Rancher</td>
<td>3</td>
<td>6</td>
</tr>
</tbody>
</table>

5. Refer to The opportunity cost of meat and potatoes. The opportunity cost of 1 pound of meat for the farmer is
   a) 1/4 pound of potatoes.  c) 8 hours of labor.
   b) 1/4 hour of labor.  d) 4 pounds of potatoes.

6. Refer to The opportunity cost of meat and potatoes. The opportunity cost of 1 pound of potatoes for the rancher is
   a) 1/2 pound of meat.  c) 2 pounds of meat.
   b) 1/2 hour of labor.  d) 6 hours of labor.

7. Refer to The opportunity cost of meat and potatoes. The farmer has an absolute advantage in the production of
   a) meat,  c) both goods.
   b) potatoes.  d) neither good.

8. Refer to The opportunity cost of meat and potatoes. Without trade, the farmer produced and consumed 2 pounds of meat and 4 pounds of potatoes and the rancher produced and consumed 4 pounds of meat and 2 pounds of potatoes. Then, each person agreed to specialize in the production of the good in which they have a comparative advantage and trade 3 pounds of meat for 6 pounds of potatoes. As a result, the farmer gained
   a) 1 pound of meat and 2 pounds of potatoes and the rancher gained 1 pound of meat and 4 pounds of potatoes.
   b) 1 pound of meat and 2 pounds of potatoes and the rancher gained 0 pounds of meat and 5 pounds of
PART III:

The Changes in Equilibrium

<table>
<thead>
<tr>
<th>An Increase in Supply</th>
<th>A Decrease in Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>An Increase in Demand</td>
<td>A</td>
</tr>
<tr>
<td>A Decrease in Demand</td>
<td>C</td>
</tr>
</tbody>
</table>

9. Refer to The Changes in Equilibrium. Which combination would produce an increase in equilibrium quantity and an indeterminate change in equilibrium price?
   a) A  
   b) B  
   c) C  
   d) D

10. Refer to The Changes in Equilibrium. Which combination would produce an increase in equilibrium price and an indeterminate change in equilibrium quantity?
   a) A  
   b) B  
   c) C  
   d) D

11. Refer to The Changes in Equilibrium. Which combination would produce a decrease in equilibrium price and an indeterminate change in equilibrium quantity?
   a) A  
   b) B  
   c) C  
   d) D

12. Refer to The Changes in Equilibrium. Which combination would produce a decrease in equilibrium quantity and an indeterminate change in equilibrium price?
   a) A  
   b) B  
   c) C  
   d) D

PART IV:

Owners of the Stores Willing to Contribute

A small strip mall contains four retail stores, and crime has recently been on the increase in the neighborhood of the strip mall. The owners of the four stores, Stores A, B, C, and D, are considering contributing to a pool of money that will be used to hire up to 4 security guards. The table represents their willingness to pay, that is, the maximum amount that each store owner is willing to contribute, per day, to hire each security guard.

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>First guard</td>
<td>$35</td>
<td>$40</td>
<td>$20</td>
<td>$50</td>
</tr>
<tr>
<td>Second guard</td>
<td>25</td>
<td>35</td>
<td>15</td>
<td>40</td>
</tr>
<tr>
<td>Third guard</td>
<td>15</td>
<td>30</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>Fourth guard</td>
<td>5</td>
<td>25</td>
<td>5</td>
<td>20</td>
</tr>
</tbody>
</table>

13. Refer to Owners of the Stores Willing to Contribute.
   Suppose the cost to hire each individual guard is $100 per day, then total surplus for the 4 store owners is
   a) $45 if 1 guard is hired.
   b) $60 if 2 guards are hired.
   c) $45 if 3 guards are hired.
   d) All of the above are correct.

14. Refer to Owners of the Stores Willing to Contribute.
   Suppose the cost to hire each individual guard is $110 per day and the 4 store owners have agreed to split the costs of hiring guards equally. Which of the following statements is correct?
   a) The owner of Store A would prefer to hire 2 guards.
   b) The owner of Store C would prefer to hire 1 guard.
   c) The owners of Stores B and D would prefer to hire 3 guards.
15. Refer to Owners of the Stores Willing to Contribute.
Suppose the cost to hire each individual guard is $90 per day and the 4 store owners have agreed to split the costs of hiring guards equally. Which of the following statements is correct?
- a) The owner of Store A would prefer to hire 3 guards.
- b) The owner of Store B would prefer to hire 4 guards.
- c) The owner of Store C would prefer to hire 1 guard.
- d) All of the above are correct.

16. Refer to Owners of the Stores Willing to Contribute.
Suppose the cost to hire each guard is $100 per day and the 4 store owners have agreed to split the costs of hiring guards equally. Which store owner(s) would be opposed to hiring any guards?
- a) only the owner of Store C
- b) only the owners of Stores A and C
- c) only the owners of Stores A, B, and C
- d) All 4 store owners would be opposed to hiring any guards.

18. Refer to The Aggregate Demand and Aggregate Supply Curves.
The shift of the short-run aggregate-supply curve from AS1 to AS2
- a) could be caused by an outbreak of war in the Middle East.
- b) could be caused by a decrease in the expected price level.
- c) causes the economy to experience an increase in the unemployment rate.
- d) causes the economy to experience stagflation.

19. Refer to The Aggregate Demand and Aggregate Supply Curves.
Point B represents
- a) a short-run equilibrium and a long-run equilibrium.
- b) a long-run equilibrium but not a short-run equilibrium.
- c) a short-run equilibrium but not a long-run equilibrium.
- d) neither a short-run equilibrium nor a long-run equilibrium.

20. Refer to The Aggregate Demand and Aggregate Supply Curves.
Starting from point B and assuming that aggregate demand is held constant, in the long run the economy is likely to experience
- a) a falling price level and a falling level of output.
- b) a falling price level and a rising level of output.
- c) a rising price level and a rising level of output.
- d) a rising price level and a falling level of output.
二、问答题

1. 近期希腊持续面临国债到期及违约的危机，若欧元区国家不再支持，希腊可能必须退出欧元区，重新发行国债。一旦上述情况发生，会提高希腊借款的风险贴水，出现资金外逃与利率进一步上升的现象。试分析希腊资金外逃对国债收益率、国民所得、物价、投资、外债负担等各个经济层面的影响。 (10分)

2. Consider a household’s preferences can be represented by the utility function: \( U = \ln x_1 + x_2 \).
   
   a. Determine the demand function for \( x_1 \) and \( x_2 \) as functions of their prices, \( p_1, p_2 \) and \( I \) (income) (6分)
   
   b. Determine whether the demand functions are downward sloping. (2分)
   
   c. Are the commodities normal, inferior, or other? Explain. (2分)

3. 若中国政府想要扩大财政支出以刺激经济，
   
   a. 請問以貨幣、公債、稅收融通政府支出時，對國民生產與利率的影響有何差異？ (6分)
   
   b. 民眾有認可時，上述三種融通方式的效果有何差異？ (2分)
   
   c. 當民眾有認可且面臨貨款限制時，上述三種融通方式的效果有何差異？ (2分)

4. A monopoly faces two buyers with the demand for the monopoly’s product, \( q_1 = 8 - p, q_2 = 4 - \frac{1}{2} p \), respectively. The monopoly has a constant marginal cost of $2. If the monopoly decides to adopt the two-part-tariffs pricing strategy, charging the two buyers with the same entrance fee and usage fee \( (p) \). Determine the profit-maximizing entrance fee and usage fee. (10分)