

I. Choose the best answer. (30%)

1. Did Ms. Brown _____ the recipe book from the library?
A. lend
B. borrow
C. loan
D. took
2. Don't you get angry when someone _____ your questions?
A. ignores
B. concludes
C. hesitates
D. tends
3. Van Gogh's works were not _____ until after his death.
A. appreciated
B. approached
C. applauded
D. appeared
4. Some rice fields in Southeast Asia require _____ to grow crops.
A. irritation
B. reservation
C. irrigation
D. concentration
5. Whether we are _____ of it or not, our dream lives can have an effect on our real lives.
A. consequent
B. conspicuous
C. conscience
D. conscious
6. Eric depends on his thesis advisor for _____.
A. adverse
B. advise
C. advice
D. advisory
7. All students without _____ should submit the assignment on time.
A. connection
B. avocation
C. exception
D. resolution
8. The many cases of food poisoning in Taiwan each year _____ people.
A. alarm
B. allege
C. alleviate
D. allude

9. At our school, all students are _____ to take a minimum of four courses in the natural sciences.
- A. acquired
 - B. exempted
 - C. exercised
 - D. required
10. In many countries, it is a _____ to wear black at funerals.
- A. prevention
 - B. convention
 - C. ostentation
 - D. abstention
11. Brian has a lot of _____; he never quits until the job is done.
- A. consistence
 - B. persistence
 - C. subsistence
 - D. assistance
12. Mary's favorite beverages are coffee and mineral water. Rosy, _____, drinks only milk or juice.
- A. however
 - B. then
 - C. too
 - D. therefore
13. Mom said dinner would be served at 6:45, but we didn't start eating _____ 7:30.
- A. about
 - B. until
 - C. since
 - D. less than
14. After winning the singing contest, Yu-chun skipped _____ down the street.
- A. happiest
 - B. more happily
 - C. happily
 - D. happy
15. While trying to _____ a cat from a tree, Tony fell and broke his ankle.
- A. have rescued
 - B. rescue
 - C. rescuing
 - D. be rescuing

II. Choose the word or phrase that is incorrect. (10%)

1. The chef prepared a (A) basic dish with daring (B) ingredients that gave it an exotic (C) flavor none of us could have (D) prediction.

2. As (A) with other (B) kind of public speaking, the best way (C) to become a better impromptu speaker is (D) to practice.
3. British music (A) used to be (B) very more popular in (C) the United States than it (D) is today.
4. Mr. Lin, (A) who transferred to this school three years (B) ago, (C) he is (D) an excellent teacher.
5. The letter (A) that George sent (B) it (C) from Kaohsiung (D) is incomplete.

III. Use the words in the box to complete the paragraphs. Four words are extra. Just use the letter. Do not write the whole words. (20%)

(A) according	(B) attend	(C) conducted	(D) consecutive
(E) declare	(F) develop	(G) fever	(H) insufficient
(I) lack	(J) promote	(K) ranked	(L) released
(M) significant	(N) upgrade		

Up to 80 percent of Taiwan parents hoped the government would ___1___ English the second official language of Taiwan, ___2___ to findings of a survey ___3___ yesterday.

The survey was ___4___ by King Car Education Foundation in December 2005 on 2,059 parents around Taiwan. It had a margin of error of plus or minus 2.4 percentage points. The survey showed that 90 percent of the parents ___5___ confidence in their English ability.

Meanwhile, more than 60 percent of Taiwan parents send their children to cram schools to learn English, with 70 percent hoping their children will ___6___ an interest in English at the cram schools.

Officials at the foundation noted that the TOEFL scores of Taiwan students have for several ___7___ years occupied the bottom places among Asian students, and that the TOEIC scores of the Taiwan people ___8___ ninth from the bottom around the world, which they said shows that the English ability of the Taiwan people is still ___9___ despite the English-learning ___10___ in the country.

IV. Reading Comprehension (20%)

For theatergoers, no visit to Ireland would be complete without attending a performance at Dublin's Abbey Theater. Like London's Old Vic, the Abbey Theater had its beginnings in a coffee house. Many of the first performances of the group which would become known as the Abbey Players were held at the Coffee Palace on Townsend Street, Dublin. Both houses were intended as places of entertainment for the lively temperance movement of the late 19th century.

Founded in 1904 as an Irish national theater, the Abbey was to become the first state-endowed English-speaking theater in the British Commonwealth. The first London engagement of this young, unknown Irish theater troupe brought recognition that they

“expressed the idealism and poetry of the national sentiment.” The theater has since become famous for the playwrights and actors who got their start on the Abbey stage. Although it is visited yearly by tourists from all over the world, the Irish have come to consider the Abbey particularly their own.

When the plays of W.B. Yeats, J.M. Synge, and Sean O’Casey were first performed there, they were not always received with quiet appreciation. At the premiere performance of Synge’s *Playboy of the Western World*, which infuriated the local population because of the negative way it portrayed the Irish peasant, the police were called in to maintain order! A similar reaction occurred at the opening night performance of Sean O’Casey’s *The Plough and the Stars*.

Today the Abbey Theater has a new face. A fire destroyed the original structure in 1951. Although the building which now houses the theater is new, the character of the Abbey remains unchanged. Visit the Abbey and share in a fine theatrical tradition. Who knows? You may view the offering of a new playwright whose work will some day become a classic.

Decide whether the following statements are True (T) or False (F).

1. Dublin’s Abbey Theater had its beginnings in a coffee house.
2. The Old Vic was another popular theater in Dublin.
3. The first performances of the Abbey Players were held at the Coffee Palace on Townsend Street, Dublin.
4. The Abbey was founded in 1804 as an Irish national theater.
5. The Abbey was the second state-endowed English-speaking theater in the British Commonwealth.
6. The theater has become famous for the playwrights and actors who got their start there.
7. The plays of Yeats, Synge, and O’Casey were always received with quiet appreciation.
8. At its final performance, Synge’s *Playboy of the Western World* infuriated the local population.
9. A fire destroyed the original structure of the theater in 1951.
10. Since the fire, the theater’s character has never been the same.

V. Essay. Some people prefer to eat out in a restaurant. Others prefer to prepare food and eat at home. Which do you prefer? Write an essay of about 200 words to discuss your preference. (20%)

國立中正大學九十九學年度學士班二年級轉學生招生考試試題

共同科目：國文

第 4 節

第 1 頁，共 1 頁

一、改錯題，請挑出句子中的錯字，並改正之（例如：錯勿→錯誤。每題 2 分，計 20 分）

- (一) 辦公室的秘書說：「總經理正在接待另一位客戶，請您稍後。」
- (二) 百貨公司換季打折，推出優惠方案，消費者得趕緊搶購，以免向虞。
- (三) 這學生不擅時間管理，工讀及課業顧此思彼，兩邊都不順利。
- (四) 他到處留下的承諾往往無法履行，結果在親友間信用破產。
- (五) 《暗戀桃花源》融入台灣的歷史文化是現代劇場的經典作品。
- (六) 因為預算有限，老闆交待出差的員工一切花費務必斟酌，轉節使用。
- (七) 未曾親眼目睹就劇下判斷，容易導致錯誤的結論。
- (八) 因為環境過度污染，許多保育類動物瀕臨滅絕。
- (九) 日本新任革新大臣外型亮麗，烽芒幾乎要蓋過了新首相。
- (十) 埃及法老王墓因為有大量財物陪葬，引發盜墓者冀覓。

二、作品與作者填空：請為（一）項的作品名稱，在（二）項中找到正確的作者姓名（注意：可不必抄題，但請標明「題號」。每題 2 分，計 20 分）

（一）作品名稱：

1. 寶娥冤 2. 紅樓夢 3. 狂人日記 4. 金鎖記
5. 鶯鶯傳 6. 駱駝祥子 7. 看海的日子 8. 鱷魚手記
9. 警世通言 10. 浮生六記

（二）作者姓名：

- | | | | | |
|--------|--------|--------|--------|--------|
| A. 賴和 | B. 李昂 | C. 施耐庵 | D. 魯迅 | E. 曹雪芹 |
| F. 白先勇 | G. 湯顯祖 | H. 元稹 | I. 白居易 | J. 關漢卿 |
| K. 老舍 | L. 沈從文 | M. 張愛玲 | N. 黃春明 | O. 蒲松齡 |
| P. 馮夢龍 | Q. 凌濛初 | R. 王文興 | S. 邱妙津 | T. 紀大偉 |
| U. 沈復 | | | | |

三、請簡要解讀以下這一篇「散曲」，並發抒心得（三百字左右。30 分）
想人生七十猶稀。百歲光陰，先過了三十。七十年間，十歲頑童，十載尪羸。五十歲除分晷黑，剛分得一半兒白日。風雨相隨，兔走烏飛。仔細沈吟，都不如快活了便宜。（元·盧摯〈折桂令〉）

四、命題作文（30 分）

教育部近年來加強促進品德教育，多方鼓勵將品德教育融入家庭及學校教育中。你覺得在資訊科技發達的社會中，品德教育有什麼樣的重要性，請撰文陳述你的意見。

* Write down your answers without calculations in problems 1-5.

1. Find $\frac{\partial z}{\partial x} =$ _____ and $\frac{\partial z}{\partial y} =$ _____ if $x^3 + y^3 + z^3 + 5xyz = 7$. (14 pts.)

2. Determine whether the series is convergent or divergent.

(a) $\sum_{n=1}^{\infty} \frac{n^n}{n!}$: _____ . (7 pts.)

(b) $\sum_{n=1}^{\infty} \frac{\ln n}{n}$: _____ . (7 pts.)

3. Evaluate $\int e^x \sin x dx =$ _____ . (10 pts.)

4. Evaluate

(a) $\lim_{x \rightarrow \infty} \frac{\ln x}{\sqrt[3]{x}} =$ _____ . (7 pts.)

(b) $\lim_{x \rightarrow 0} \frac{\tan^{-1} x - x}{x^3} =$ _____ . (7 pts.)

5. Find the points on the sphere $x^2 + y^2 + z^2 = 4$ that are closest to and farthest from the point $(3, 1, -1)$.

(a) The closest point: _____ . (7 pts.)

(b) The farthest point: _____ . (7 pts.)

* Please show your work for the following problems.

6. Show that $\sqrt{1+x} < 1 + \frac{1}{2}x$ if $x > 0$. (10 pts.)

7. Determine the production level that will maximize the profit for company with cost and demand functions

$$C(x) = 3800 + 5x - \frac{x^2}{1000} \quad p(x) = 50 - \frac{x}{100}$$

(10 pts.)

8. (a) A transformation is defined by the equations

$$x = u^2 - v^2, \quad y = 2uv$$

Find the image of the square $S = \{(u, v) | 0 \leq u \leq 1, 0 \leq v \leq 1\}$. (7 pts.)

(b) Use the change of variables $x = u^2 - v^2$, $y = 2uv$ to evaluate the integral $\int_R y dA$, where R is the region bounded by the x -axis and the parabolas $y^2 = 4 - 4x$ and $y^2 = 4 + 4x$. (7 pts.)

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第 2 節

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單選題：請將答案依序寫在答案紙上。 每題 2 分。

- 1) Individuals A and B both produce good X. A has a comparative advantage in the production of good X if A
 - (A) has a lower opportunity cost of producing good X than of producing good Y.
 - (B) has a lower opportunity cost of producing good X than has B.
 - (C) can produce more units of X in a given time period than can B.
 - (D) can produce X using newer technology than can B.
- 2) The law of demand concludes that a rise in the price of a golf ball _____ the quantity demanded and _____.
 - (A) increases; shifts the demand curve for golf balls rightward.
 - (B) decreases; shifts the demand curve for golf balls leftward.
 - (C) decreases; creates a movement up along the demand curve for golf balls.
 - (D) increases; creates a movement down along the demand curve for golf balls.
- 3) The price of a gallon of milk falls. Which of the following is a possible cause?
 - (A) A decrease in the price of oatmeal, a complement to milk.
 - (B) Milk is a normal good and people's incomes rise.
 - (C) A drought that reduces supplies of feed grains fed to cows that produce milk.
 - (D) A discovery that milk cause diabetes.
- 4) Coffee and sugar are complements. If a poor sugar harvest leads to an increase in the price of sugar, there will also be
 - (A) a rightward shift in the demand curve for coffee.
 - (B) a leftward shift of the supply curve of coffee.
 - (C) a decrease in the price of coffee.
 - (D) an increase in the price of coffee.
- 5) On Saturday morning, you rank your choices for activities in the following order: go to the library, work out at the gym, have breakfast with friends, and sleep late. Suppose you decide to go to the library. Your opportunity cost is
 - (A) working out at the gym, having breakfast with friends, and sleeping late.
 - (B) working out at the gym.
 - (C) zero because you do not have to pay money to use the library.
 - (D) not clear because not enough information is given.
- 6) Some sales managers are talking shop. Which of the following quotations refers to a movement along the demand curve?
 - (A) "Since our competitors raised their prices our sales have doubled."
 - (B) "It has been an unusually mild winter; our sales of wool scarves are down from last year."
 - (C) "We decided to cut our prices, and the increase in our sales has been remarkable."
 - (D) none of the above.
- 7) Good A has a perfectly inelastic demand and an upward-sloping supply curve. Good B has a perfectly inelastic supply and a downward-sloping demand curve. If the same sales tax is imposed on the sellers of both good A and good B, the price paid by
 - (A) buyers of good A rises by more than the price paid by buyers of good B.
 - (B) buyers of good B rises by more than the price paid by buyers of good A.
 - (C) buyers of good A rises by the same amount as the price paid by buyers of good B.
 - (D) More information is needed to determine whether the price paid by buyers of good A rises by more than, less than, or the same amount as the price paid by buyers of good B.
- 8) Lily is a college student who likes to buy only two goods: Cheetos and Pepsi. To determine Lily's budget line, you need to know
 - I. Lily's preferences for Cheetos and Pepsi.
 - II. The prices of Cheetos and Pepsi.
 - III. Lily's income.
 - (A) II only
 - (B) I and II
 - (C) II and III
 - (D) I, II and III
- 9) If an indifference map for a consumer is made up of straight, negatively sloped lines, the goods are
 - (A) perfect complements.
 - (B) perfect substitutes.
 - (C) unrelated.
 - (D) not desirable.

- 10) Jane is willing to pay \$4 for the first cup of coffee a day, \$2.50 for the second cup, and \$1 for the third cup, after which she won't buy any coffee. The price of a cup of coffee is \$2.40. Jane's consumer surplus is \$_____ per day.
 (A) \$1.60
 (B) \$1.70
 (C) \$4.80
 (D) \$6.50
- 11) After a \$3 per-unit tax on seeing movies in theaters is imposed, attendance falls from 4,000 a week to 3,000 a week. The revenue from the tax is
 (A) less than \$9,000 a week.
 (B) \$9,000 a week.
 (C) between \$9,000 a week and \$12,000 a week.
 (D) some amount that cannot be calculated without more information.
- 12) When the marginal product of labor exceeds the average product of labor,
 (A) the average product of labor is increasing.
 (B) the average product of labor is decreasing.
 (C) the total product curve is negatively sloped.
 (D) the firm is experiencing decreasing returns to scale.
- 13) In a perfectly competitive industry, the price elasticity of demand for the *market* demand is _____ and the price elasticity of demand for an *individual* firm's demand is _____.
 (A) infinite; infinite
 (B) less than infinite; infinite
 (C) infinite; less than infinite
 (D) less than infinite; less than infinite
- 14) When some firms enter a perfectly competitive industry in which firms are earning an economic profit, the short-run industry supply curve shifts _____, the market price _____, and each firm's economic profit _____.
 (A) leftward; rises; decreases
 (B) leftward; falls; decreases
 (C) rightward; rises; increases
 (D) rightward; falls; decreases
- 15) Compared to a single-price monopoly, a perfectly competitive industry with the same costs produces _____ output and has a _____ price.
 (A) less; lower
 (B) less; higher
 (C) more; lower
 (D) more; higher
- 16) The kinked demand curve model of oligopoly is based on the assumption that each firm believes that if it
 (A) raises or lowers its price other firms will take the same action.
 (B) raises its price other firms will not raise their prices but if it lowers its price other firms will lower their prices.
 (C) raises or lowers its price other firms will not take any action.
 (D) raises its price other firms will raise their prices but if it lowers its price other firms will not lower their prices.
- 17) If in monopolistic competition in the short run, firms make _____ profits, then in the long run, new firms will enter the market. The _____ each individual firm's product will _____. In the new long-run equilibrium firms will make _____ profit.
 (A) economic; demand for; decrease; a normal
 (B) normal; demand for; increase; a normal
 (C) economic; supply of; decrease; an economic
 (D) economic; supply of; increase; a normal
- 18)

		Dr. Smith	
		Advertise	Don't advertise
Dr. Jones	Advertise	S: \$80 J: \$70	S: \$60 J: \$110
	Don't advertise	S: \$120 J: \$60	S: \$100 J: \$90
- Libertyville has two optometrists, Dr. Smith and Dr. Jones. Each optometrist can choose to advertise his service or not. The incomes of each optometrist, in thousands of dollars, are given in the payoff matrix above. Which of the following statements correctly categorizes the Nash equilibrium for the game?
 (A) The game has a Nash equilibrium in which both optometrists advertise.
 (B) The game has a Nash equilibrium in which both optometrists do not advertise.

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- (C) The game has a Nash equilibrium in which Dr. Smith advertises and Dr. Jones does not advertise.
 (D) The game has a Nash equilibrium in which Dr. Smith does not advertise and Dr. Jones does advertise.
- 19) In the absence of property rights, factories will dump waste into a waterway up to the point where _____ equals _____
 (A) marginal social cost; marginal social benefit
 (B) marginal social cost; marginal private cost
 (C) marginal private cost; marginal private benefit
 (D) marginal private cost; marginal social cost
- 20) The apple industry is perfectly competitive and is in long-run equilibrium. Now a disease kills 50 percent of the apple orchards. In the short run, the price of a bag of apples _____ and the remaining apple growers make _____ profits. In the long run, the _____
 (A) increases; normal; price of apples will return to their original level
 (B) remains the same; normal; orchards will be replanted and growers will make normal profits
 (C) increases; normal; orchards will be replanted and economic profit will return to zero
 (D) increases; positive economic; orchards will be replanted and economic profit will return to zero

Technique	Number of workers	Units of capital
A	1	3
B	1	5
C	2	3
D	3	2

- 21) The table above shows four methods for producing 10 computer desks a day. Of the four methods, _____ technologically inefficient.
 (A) B and C are
 (C) D is
 (B) B is
 (D) A and B are
- 22) The table above shows four methods for producing 10 computer desks a day. If the cost of a worker is \$50 a day and the cost of capital is \$150 a day, _____ economically efficient.
 (A) method A is
 (C) method D is
 (B) method B is
 (D) methods A or C are
- 23) In years with inflation, nominal GDP increases _____ real GDP.
 (A) at the same rate as
 (B) slower than
 (C) faster than
 (D) sometimes faster, sometimes slower, and sometimes at the same rate as
- 24) As more and more of the _____ input is used, the total product curve increases quickly at first because _____ product increases and then more slowly because _____.
 (A) fixed; average; average product decreases
 (B) variable; average; average product reaches a maximum
 (C) variable; marginal; marginal product diminishes
 (D) fixed; marginal; marginal product reaches a maximum
- 25) For a common resource such as fish, the marginal private benefit of an additional boat is the _____ and the marginal social benefit is the _____.
 (A) catch per boat; total fish caught
 (B) change in the total catch from an additional boat; catch per boat
 (C) total fish caught; change in the total catch from an additional boat
 (D) catch per boat; change in the total catch from an additional boat
- 26) The calculation of the final goods and services sold in an economy would NOT include
 (A) the purchase of a lawnmower by a household.
 (B) General Motors' purchases of tires for new automobiles.
 (C) Ford Motor Company's purchase of a new industrial robot to be used to produce cars.
 (D) the purchase of a service by a household.

Quantity (lamps)	Marginal benefit for Mike	Marginal benefit for Joe	Marginal benefit for Sam
0			
1	4	8	5
2	3	6	4
3	2	4	3
4	1	2	2
5	0	0	0

27) Mike, Joe, and Sam are roommates. They need lamps for their common living room. Lamps in their living room are a public good for these roommates. The marginal benefit that each individual receives from varying numbers of lamps in the living room is given in the table above. The marginal benefit for the second lamp to this group of roommates taken as a whole is
 (A) 10. (B) 13. (C) 9. (D) 17.

28) Suppose the working age population in Tiny Town is 100 people. If 25 of these people are NOT in the labor force, the equals _____
 (A) unemployment rate; $25/100 \times 100$
 (B) unemployment rate; $25/125 \times 100$
 (C) labor force; 75
 (D) labor force; $25/100 \times 100$

29) Which of the following will decrease the unemployment rate?

- (A) Discouraged workers leave the labor force.
- (B) More women enter the labor force and seek jobs.
- (C) Young people graduate from college and start to look for their first full-time job.
- (D) None of the above because they all increase or do not change the unemployment rate.

30) Of the following, which is correct?

- (A) Nominal GDP does not change when the production of goods and services increases.
- (B) Nominal GDP is not affected by changes in prices of goods and services.
- (C) Nominal GDP increases when the prices of goods and services increase.
- (D) Real GDP changes only when the prices of goods and services really change.

31) If the wage rate is _____ the value of marginal product, a firm can increase its profit by _____.

- (A) greater than; selling an extra unit of output
 - (B) less than; selling one less unit of output
 - (C) less than; hiring an extra worker
 - (D) less than; hiring one less worker
- 32) At high wage rates, the labor supply curve bends backward because the _____ effect dominates the _____ effect.
 (A) income; price
 (B) substitution; income
 (C) substitution; price
 (D) income; substitution

33) This year Pizza Hut makes a total investment of \$1.3 billion in new stores. Its depreciation in this year is \$300 million. Pizza Hut's gross investment is _____ and its net investment is _____.
 (A) \$1.3 billion; \$1.6 billion
 (B) \$1.0 billion; \$1.3 billion
 (C) \$1.0 billion; \$0.7 billion
 (D) \$1.3 billion; \$1.0 billion

34) Suppose the market for loanable funds is in equilibrium. If the expected profit falls, the equilibrium real interest rate _____ and the quantity of loanable funds _____.
 (A) falls; decreases
 (B) rises; decreases
 (C) rises; increases
 (D) falls; increases

35) The market supply of labor curve has a positive slope if higher wages induce households to choose

- (A) leisure rather than supplying labor in the labor market.
- (B) supplying labor in the labor market rather than leisure.
- (C) demanding labor rather than supplying it.
- (D) None of the above answers is correct.

Component	Amount (billions of dollars)
Net taxes	1,635
Personal consumption expenditure	5,566
Depreciation	622
Government expenditure	1,784
Gross investment	1,234
Exports	957
Imports	1,138
Household saving	1,202

36) Using the data in the table above, what is the value of GDP?

- (A) \$13,516 billion
- (B) \$10,679 billion
- (C) \$9,541 billion
- (D) \$8,403 billion

37) A bakery purchases 1,000 kg of flour at NT\$ 20,000 each day. Using 1,000 kg of flour, it can make 10,000 loafs of bread with each loaf being sold at NT\$15. What is the bakery's contribution to GDP measured by the value-added each day?

- (A) 10,000 loafs of bread.
- (B) NT\$130,000.
- (C) NT\$150,000.
- (D) NT\$170,000.

38) Suppose in 2003 that your money wage rate is \$22 per hour and the CPI = 130. In 2004 your money wage rate increases to \$24 and the CPI increases to 134.5. Your real wage rate has

- (A) increased from \$16.92 to \$17.84.
- (B) increased from \$15.40 to \$15.72.
- (C) increased from \$22.00 to \$22.92.
- (D) None of the above answers are correct.

39) Suppose that the interest rate is greater than the equilibrium interest rate. Which of the following occurs?

- I. There is an excess quantity of money.
- II. The quantity of money automatically increases.
- III. People start buying bonds.

- (A) I.
- (B) I and III.
- (C) II and III.
- (D) I, II and III.

40) Suppose there is an increase in the price level and no change in the money wage rate. As a result,

- (A) there is an upward movement along the labor supply curve.
- (B) there is a downward movement along the labor supply curve.
- (C) the labor supply curve shifts leftward as people demand higher wages.
- (D) the labor supply curve shifts rightward as people demand higher wages.

41) Credit cards are

- (A) a part of money because they are used in so many transactions.
- (B) a part of money when the transaction approach is used but not when the liquidity approach is used.
- (C) not part of money because they represent a loan of money to the user.
- (D) not part of money because the government has no control over the amount of credit outstanding.

42) The most direct way in which money eliminates the need for a double coincidence of wants is through its use as a

- (A) unit of account.
- (B) standard of deferred payment.
- (C) store of value.
- (D) medium of exchange.

43) A consumption function shows a

- (A) negative (inverse) relationship between consumption expenditure and saving.
- (B) positive (direct) relationship between consumption expenditure and price level.
- (C) negative (inverse) relationship between consumption expenditure and disposable income.
- (D) positive (direct) relationship between consumption expenditure and disposable income.

44) For an economy at full employment, an increase in the quantity of money will lead to which of the following sequences of shifts in aggregate demand and supply curves?

- (A) decreased aggregate demand, increased short-run aggregate supply, constant long-run aggregate supply
- (B) decreased aggregate demand, decreased short-run aggregate supply, decreased long-run aggregate supply

- (C) increased aggregate demand, increased short-run aggregate supply, increased long-run aggregate supply
 (D) increased aggregate demand, decreased short-run aggregate supply, constant long-run aggregate supply

- 45) The commercial banks on Sunny Island have checking deposits of \$4 million, reserves of \$600,000, and loans of \$2.4 million. The desired reserve ratio is 10 percent. The banks have _____ of desired reserves and _____ of excess reserves.
 (A) \$600,000; \$0
 (B) \$400,000; \$200,000
 (C) \$400,000; \$600,000
 (D) \$600,000; \$200,000

Real GDP supplied

Price level	Real GDP demanded (dollars)	Short run (dollars)	Long run (dollars)
90	700	300	600
100	600	400	600
110	500	500	600
120	400	600	600

- 46) The table above gives the aggregate demand and aggregate supply schedules in Lotus Land. With no changes in aggregate demand or long-run aggregate supply, in long-run macroeconomic equilibrium, the price level will be _____ and real GDP will be _____.
 (A) 120; \$400
 (C) 90; \$400
 (B) 110; \$500
 (D) 100; \$600
- 47) The supply side effects of a change in taxes on labor income means that _____ in taxes on labor income shift the _____.
 (A) an increase; labor supply curve rightward
 (B) an increase; labor supply curve leftward
 (C) a decrease; labor demand curve rightward
 (D) a decrease; labor demand curve leftward
- 48) You deposit \$4,000 in currency in your checking account. The bank holds 20 percent of all deposits as desired reserves. As a direct result of your deposit, your bank will create _____.
 (A) \$200 of new money.
 (B) \$800 of new money.
 (C) \$1,600 of new money.
 (D) \$3,200 of new money.
- 49) By itself, an increase in the price of oil shifts the _____.
 (A) short-run aggregate supply curve leftward and does not shift the aggregate demand curve.
 (B) short-run aggregate supply curve rightward and does not shift the aggregate demand curve.
 (C) aggregate demand curve leftward and does not shift the short-run aggregate supply curve.
 (D) aggregate demand curve rightward and does not shift the short-run aggregate supply curve.
- 50) If both lenders and borrowers expect more inflation than actually occurs, borrowers _____ income and lenders _____ income.
 (A) gain; gain
 (B) gain; lose
 (C) lose; gain
 (D) lose; lose