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\*All the questions in this file are without explanations.

\*All the questions in this file are not allowed to be used commercially.

# Microeconomics

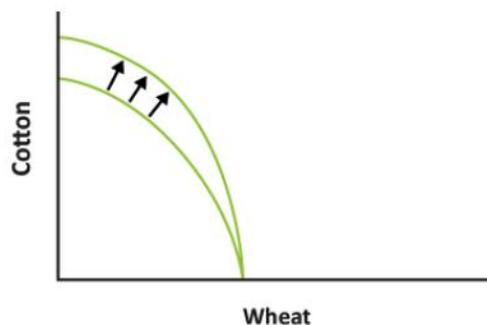
## 1-Basic Economic Principles

- 1) Which of the following questions would not be of particular interest to a microeconomist?
  - A. Why do national economies grow?
  - B. What percentage of consumer income is spent on entertainment?
  - C. Why do workers prefer the 4-day workweek?
  - D. What happens to worker productivity when the job shifts to a 4-day workweek?
  
- 2) The opportunity cost (机会成本, 是为了获得某些东西而必须放弃的其他东西) of a new city park is the
  - A. cost of staff and maintenance for the park.
  - B. increased congestion from traffic around the park.
  - C. best alternative use of resources given up for the park.
  - D. lack of personal incentive for people to take care of a public park.
  
- 3) What is meant by the statement that every economic system faces the problem of scarcity (稀缺性)?
  - A. The additional benefits of goods and services are greater than their additional costs.
  - B. There are times when some products can be purchased only at high prices.
  - C. There are never enough productive resources to satisfy all human wants.
  - D. All economies have recessions during which scarcities exist.
  
- 4) The opportunity cost (机会成本, 是为了获得某些东西而必须放弃的其他东西) of a new public high school is the
  - A. money cost of hiring teachers for the new school.
  - B. cost of constructing the new school at a later date.
  - C. change in the annual tax rate to pay for the new school.
  - D. other goods and services that must be given up for the new school.
  
- 5) Which one of the following is a factor of production (生产要素, 指用来生产商品和服务的投入)
  - A. Land owned or rented by firms
  - B. The profits made by firms
  - C. Money held by firms in bank accounts
  
- 6) Which do economists consider to be a productive resource (factor of production: 生产要素, 指用来生产商品和服务的投入)?
  - A. Labor.
  - B. Profit.
  - C. Money.

D. Interest.

- 7) Which of the following is true about entrepreneurs (企业家)?
- They always make profits.
  - They are the same as business managers.
  - They most often start out opening large businesses rather than small businesses.
  - They take risks in the hope of earning profits.
  - They always work in small businesses.
- 8) Chelsea is trying to decide whether to go to the movies with friends, visit her grandmother, or do her homework. She decides to visit her grandmother. Her opportunity cost (机会成本, 是为了获得某些东西而必须放弃的其他东西) of this decision is
- going to the movies with her friends.
  - doing her homework.
  - going to the movies with her friends and doing her homework.
  - going to the movies with her friends or doing her homework, whichever option was her second choice.
  - non-existent—she chose the option she liked the most so she doesn't have an opportunity cost.
- 9) Which of the following might have caused the rotation shown in the following production possibility frontier (生产可能性边界, 表示在可得到的生产要素与生产技术既定时, 一个经济所能生产的产量的各种组合的图形)?

Production Possibilities Frontier



- The invention of the reaper—used in wheat production.
- The invention of the cotton gin—used in cotton production.
- The invention of fertilizer—used in the production of both wheat and cotton.
- The proliferation of wheat rust—a fungal disease that threatens wheat production.
- An increase in the number of boll weevils—insects that threaten cotton production.

- 10) Which of the following activities would occur in a market for goods and services?
- Harry mows his grass.
  - General Motors hires additional workers to run a third shift at a factory.
  - Jane bakes pies for Thanksgiving dinner.
  - Dolly buys a ticket to a ball game.
- 11) The three sources of income for the household are
- taxes, subsidies from the government, and rent.
  - wages, rent, and profit.
  - wages, rent, and subsidies from the government.
  - wages, rebates, and rent.
- 12) Which of the following is not an assumption that underlies an economy's production possibility frontier (生产可能性边界, 表示在可得到的生产要素与生产技术既定时, 一个经济所能生产的产量的各种组合的图形)?
- fixed income.
  - fixed resources.
  - unchanged technology.
  - fully employed resources.
- 13) About factors of production (生产要素, 是进行社会生产经营活动时所需要的各种社会资源), which of the following statements is correct?
- They are outputs in the markets for the goods and services.
  - In the markets for the factors of production, households produce goods and services using the factors of production.
  - In the markets for the factors of production, firms own all the factors of production.
  - Labor, land, and capital are factors of production for the goods and services.
  - Buildings and machines are not factors of production for the goods and services.
- 14) Opportunity cost (机会成本, 是为了获得某些东西而必须放弃的其他东西) shows that:
- people face trade-offs.
  - people respond to incentives.
  - rational people think at the margin.
  - markets are usually a good way to organize economic activity.
  - prices rise when the government prints too much money.
- 15) If Jason plays professional sports, he can earn 5 million dollars per year; if he opens a restaurant, he can only earn 1 million dollars per year. Therefore, the opportunity cost (机会成本, 是为了获得某些东西而必须放弃的其他东西) of Jack opening a restaurant is:

- A. 0 dollars.
- B. 1 million dollars.
- C. 4 million dollars.
- D. 5 million dollars.
- E. 6 million dollars.

- 16) Points outside the production possibility curve (生产可能性边界, 表示在可得到的生产要素与生产技术既定时, 一个经济所能生产的产量的各种组合的图形) represent:
- A. combinations of output that the economy can possibly produce by fully using the available factors of production and the available production technology.
  - B. combinations of output that the economy can possibly produce without fully using the available factors of production and the available production technology.
  - C. combinations of output that the economy can not produce by fully using the available factors of production and the available production technology.
  - D. combinations of inputs that the economy can not produce without fully using the available factors of production and the available production technology.
  - E. None of above statements are correct.

## 2-Supply and Demand

- 17) If the price of hamburger is \$5 a pound, consumers buy 3 pounds of hamburger a week. If the price is \$4 a pound, consumers buy 4 pounds a week. These statements provide:
- A. an example of the law of demand
  - B. an example of the law of supply
  - C. a contradiction of the law of demand
  - D. a contradiction of the law of supply
  - E. an example of the law of marginal cost
- 18) Assume that an alternative to the iPhone is developed that takes the world by storm, and that a shipment of the iPhones is on a boat from China that sinks in a storm. What will be the effect of these two events on the market for iPhones?
- A. price increases and quantity decreases
  - B. price increases and quantity cannot be determined
  - C. price decreases and quantity decreases
  - D. price decreases and quantity cannot be determined
  - E. price cannot be determined and quantity decreases

- 19) Assume that peanut butter is an inferior good (劣质品) . Which of the following statements describes what is meant by "an inferior good in economics?"
- Because peanut butter is a low-quality food, consumers will not buy it.
  - When the supply of peanut butter falls, its price falls.
  - When consumer incomes increase, the demand for peanut butter decreases.
  - Producers of peanut butter will switch to producing jelly, a complement, to increase profits.
  - If the price of almond butter, a substitute, rises, the demand for peanut butter will fall.
- 20) You take the bus to work every day. When you get a raise in your salary, you no longer take the bus as your primary means of transportation because bus rides are
- an inferior good.
  - a normal good.
  - a substitute good.
  - a complementary good.
  - a public good.
- 21) Which of the following are the best examples of substitute goods (替代品, 一种物品价格上升引起另一种物品需求量增加) 的两种物品) ?
- Personal computers and computer software programs.
  - Milk and cookies.
  - IBM and HP personal computers.
  - Hot dogs and mustard.
- 22) An increase in the number of tomato producers will
- increase market supply because the price of tomatoes will rise.
  - increase market supply because market demand will increase as more tomatoes are produced.
  - increase market supply because market supply is the sum of all individual tomato producers' supply curves.
  - increase market demand but leave market supply unchanged.
- 23) The demand curve (需求曲线) shows
- the highest price buyers actually pay for each unit of a good and the amount they would buy.
  - the highest price buyers would be willing and able to pay for each unit of the good or the amount purchased at each price.
  - the consumer surplus buyers gain from each unit of the good if they were to purchase it.
  - the enjoyment consumers get from each unit of the good if they were to purchase.

- 24) When the price of a good increases,
- A. the supply curve of this good will shift to the left.
  - B. the supply curve of this good will shift to the right.
  - C. the supply curve of this good will be downward sloped.
  - D. the supply curve of this good will be steeper.
  - E. the producer of this good will move along its supply curve.
- 25) When the price of product X increases, the quantity demanded of product Y increases, X and Y are:
- A. normal goods.
  - B. inferior goods.
  - C. substitutes.
  - D. complements.
  - E. Giffen goods.
- 26) People tend to buy less product Z when their incomes increase, so product Z is:
- A. a normal good.
  - B. an inferior good.
  - C. a substitute.
  - D. a complement.
  - E. a Giffen good.
- 27) If the price of hamburger is \$5 a pound, the seller produces 100 pounds of hamburger per day. If the price is \$4 a pound, the seller produces 90 pounds per day. These statements provide:
- A. an example of the law of demand.
  - B. an example of the law of supply.
  - C. a contradiction of the law of demand.
  - D. a contradiction of the law of supply.
  - E. an example of the law of marginal cost.
- 28) Suppose eating apples becomes a worldwide health craze. Which of the following would be an expected result?
- A. The demand for apples would decrease.
  - B. The demand for hot chocolate would decrease.
  - C. The price of apples would increase.
  - D. The supply of apples would not change.
  - E. The price of apples would fall.

- 29) When the price of good X increases greatly, the quantity demanded of good X does not change at all, so the demand curve (需求曲线, 描述了产品价格和需求量之间的关系) of good X:
- A. is a vertical straight line.
  - B. is a horizontal straight line.
  - C. is a downward sloping line.
  - D. is an upward sloping line.
  - E. is not a straight line.

### 3-Market Equilibrium

- 30) The equilibrium market price (均衡市场价格, 指供应量等于需求量时的市场价格) can be defined as the price when
- A. the market for the product clears.
  - B. positive excess demand equals negative supply.
  - C. producers maximize their profits.
- 31) A market is defined as being in equilibrium (均衡, 指在某一个价格水平上, 供应量和需求量相等的状态) when
- A. prices are at their lowest possible level.
  - B. there is maximum output at minimum cost.
  - C. there is no tendency for the market price to change.

32) Given this data, if the price of CD players is \$200,

<i>PRICE</i>	<i>QUANTITY DEMANDED</i> (units per week)	<i>QUANTITY SUPPLIED</i> (units per week)
\$100	1,000	100
\$150	900	300
\$200	800	500
\$250	600	600
\$300	300	650

- A. there will be a surplus.
- B. there will be a shortage.
- C. the market is in equilibrium.
- D. the supply will increase.

- 33) The area underneath a demand curve down to the equilibrium price (均衡价格, 指供应量和需求量相等时的价格) is
- always less than the area under the supply curve.
  - always greater than the area under the supply curve.
  - consumer surplus.
  - producer surplus.
- 34) Which of the following would unambiguously cause a decrease in the equilibrium price (均衡价格, 指供应量和需求量相等时的价格) of cotton shirts?
- An increase in the price of wool shirts and a decrease in the price of raw cotton
  - A decrease in the price of wool shirts and a decrease in the price of raw cotton
  - An increase in the price of wool shirts and an increase in the price of raw cotton
  - A decrease in the price of wool shirts and an increase in the price of raw cotton
- 35) The benefit to a producer of selling a good at the equilibrium price (均衡价格, 指供应量和需求量相等时的价格) is called
- producer surplus.
  - consumer surplus.
  - welfare economies.
  - efficiency gain.

#### 4-Elasticity

- 36) If price elasticity of demand (需求价格弹性, 衡量需求量对价格变化的敏感程度) is 2.0, this implies that consumers would
- buy 2 percent more of the good in response to a 1 percent cut in price.
  - require a 2 percent cut in price to raise quantity demanded of the good by 1 percent.
  - buy twice as much of the good if price falls by 10 percent.
- 37) Assume that 5 percentage increase in the price of apples causes the amount of apples you can buy rises by 10 percent, the apples' price elasticity of supply (供给价格弹性, 衡量供给量相对于价格变化的敏感程度) equals:
- 0.5
  - 1.0
  - 2.0
  - 5.0
  - 10.0

- 38) Which of the following items can influence the price elasticity of demand (需求价格弹性, 衡量需求量相对于价格变化的敏感程度)?
- Availability of close substitutes.
  - Necessities versus luxuries.
  - Definition of the market.
  - Time horizon.
  - All above items can influence the price elasticity of demand.
- 39) Which of the following items tend to have a more elastic demand than others?
- Gasoline.
  - Apples.
  - Luxuries.
  - Drugs for a certain disease.
  - A book required by your school.
- 40) When the elasticity of supply (供给弹性, 衡量供应量相对于价格变化的敏感程度) equals 1, the supply is said to be:
- Elastic.
  - Inelastic.
  - Perfectly elastic.
  - Perfectly inelastic.
  - Unit elastic.
- 41) Assume that the supply and demand for chocolate are neither perfectly elastic (完全弹性的) nor perfectly inelastic (完全非弹性的). If the supply of chocolate increases and the demand for chocolate does not change, the price of chocolate will \_\_\_\_\_ and the quantity will \_\_\_\_\_, ceteris paribus.
- increase; increase
  - decrease; decrease
  - increase; decrease
  - decrease; increase
  - not change; decrease
- 42) The demand for a product becomes more inelastic as the product
- has fewer substitutes, is a luxury, and takes a smaller share of the consumer's income.
  - has fewer substitutes, is a necessity, and takes a smaller share of the consumer's income.
  - has fewer substitutes, is a necessity, and takes a larger share of the consumer's income.
  - has more substitutes, is a necessity, and takes a larger share of the consumer's income.
  - has more substitutes, is a necessity, and takes a smaller share of the consumer's income.

- 43) If price elasticity of demand (需求价格弹性, 衡量一种商品的需求量对另一种商品的价格变化的敏感度) is 2.0, this implies that consumers would
- buy twice as much of the good if price falls by 10 percent.
  - require a 2 percent cut in price to raise quantity demanded of the good by 1 percent.
  - buy 2 percent more of the good in response to a 1 percent cut in price.
  - require at least a \$2 increase in price before showing any response to the price increase.
- 44) If the price elasticity of demand (需求价格弹性, 衡量一种商品的需求量对另一种商品的价格变化的敏感度) within the price range from \$1 and \$1.25 for carrots is 0.79 and for radishes is 1.6, then within that price range
- carrots are more price elastic than radishes.
  - radishes are more price elastic than carrots.
  - carrots and radishes must be substitute goods.
  - carrots and radishes must be complementary goods.
- 45) A perfectly inelastic supply curve (完全非弹性的供给曲线) represents
- a product supply that is extremely responsive to a price change.
  - a product with a constant price, regardless of the quantity offered for sale.
  - a product in abundant in supply.
  - a fixed supply of a good.
- 46) In which of the markets listed below would you expect the least elastic response from suppliers?
- Fast food.
  - Soft drink
  - Road building
  - Picasso paintings
- 47) A 5 percent increase in the price of sugar reduces sugar consumption by about 10 percent. The increase causes households to
- spend more on sugar.
  - spend less on sugar.
  - spend the same amount on sugar.
  - consume more goods like coffee and tea that are complements of sugar.

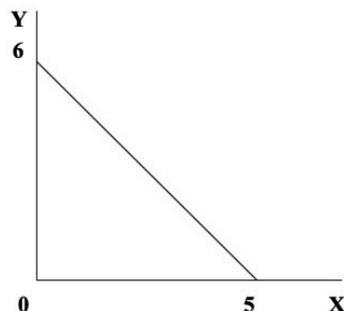
## 5-Utility and Consumer Choice

- 48) Does the entity that pays for medical services affect the behavior of health-care consumers?
- Yes; consumers of health-care possess a stronger incentive to economize when their insurance company pays for their services.
  - No; health care is an essential service, and therefore, the incentive to economize is unaffected by who is paying for the service.

- C. Yes; consumers of health-care possess a stronger incentive to economize when the government pays for their services.
- D. No; the quantity of health-care service demanded is not influenced by the price of health care, and it does not matter who pays.
- E. Yes; consumers of health-care possess a stronger incentive to economize when they pay for their own services.

- 49) If some coffee drinkers continue to buy Maxwell House coffee even when Folger's coffee is on sale and cheaper, it may be a result of
- A. irrational consumer behavior.
  - B. a high cross elasticity between the two goods.
  - C. brand loyalty.
  - D. Maxwell House being a monopoly.

- 50) As shown in the figure. If X costs \$6 per unit and Y costs \$5 per unit, what is the income of this household?



- A. 25
  - B. 30
  - C. 36
  - D. Not enough information
- 51) As more hours of Internet access are purchased, everything else equal, marginal utility (边际效用, 指消费者对某种物品的消费量每增加一单位所增加的额外满足程度) from consuming additional hours will tend to
- A. decrease at the same rate for all consumers.
  - B. decrease but at different rates for different people.
  - C. increase at the same rate for all consumers.
  - D. increase but at a decreasing rate for all consumers.

## 6-Market System

- 52) The essential difference between a command economy (计划经济) and a market economy (市场经济) is that in a market economy
- A. shortages occur more often than surpluses.
  - B. buyers and sellers determine resource allocation.
  - C. central planning creates an effective incentive system for consumers and producers.
  - D. the prices of products and resources are largely determined by government regulation.
- 53) In a market economy (市场经济), the public interest is likely to be served even when individuals pursue their personal economic goals because of
- A. the operation of competitive markets.
  - B. the social responsibility of business leaders.
  - C. central planning and coordination of market activity.
  - D. individuals' understanding of what is in the public interest.
- 54) Business firms wish to sell their products at high prices. Households wish to buy products at low prices. In a market economy, this conflict of interest is resolved by
- A. lawsuits.
  - B. competition.
  - C. collective bargaining.
  - D. government regulation.
- 55) In every economic system, people must choose how to
- A. satisfy all of the wants of society.
  - B. make the best use of scarce resources.
  - C. create an equal distribution of income.
  - D. save money to reduce the national debt.

## 7-Market Efficiency and Social Welfare

- 56) Government rather than private business provides a public good (公共产品) such as flood control because
- A. private businesses do not like to produce services for the government.

- B. those who do not pay for a public good still receive the benefits
- C. when a person uses a public good, less is available for others.
- D. a public good does not benefit individuals.

57) Government rather than private business provides national defense because

- A. it is a benefit and not a cost.
- B. it is a cost and not a benefit.
- C. not all who benefit from it would pay for it.
- D. if some benefit from it, less is available for others.

58) From an economic point of view, which approach to controlling pollution is most efficient?

- A. Abolish the use of toxic chemicals in all production
- B. Use economic resources to eliminate all pollution
- C. Adopt laws and regulations that prohibit economic activities that cause pollution.
- D. Reduce pollution as long as the additional benefits are greater than the additional costs.

59) From an economic perspective, one reason why many restaurants and public places do not allow smoking is to

- A. decrease the negative externality caused by second-hand smoke.
- B. decrease the positive externality caused by second-hand smoke.
- C. cause a market failure by taking away people' s freedom to smoke.
- D. increase tax revenues collected from smokers.
- E. support the tobacco industry.

60) When someone receives a flu shot, they reduce the probability that others will contract the flu. In this case, the flu shot is serving as a:

- A. negative externality
- B. positive externality
- C. perfect substitute
- D. perfect complement
- E. public good

61) Which of the following describes a negative externality (负外部性) or external cost (外部成本)?

- A. The benefits of a public good go to those who do not pay for the good.
- B. A consumer purchases a good but then decides to give it to someone in another country.
- C. The costs of producing a good are borne by those other than the producer or consumer of the good.
- D. The price of producing a good is less than the marginal benefit of consuming the good.
- E. Resources are allocated to producing goods that consumers wish to purchase.

- 62) If a person can not be prevented from consuming a good, the good is a (n)
- A. rival good.
  - B. common good.
  - C. excludable good.
  - D. public good.
  - E. equity good.
- 63) Which of the following is an example of a positive externality (正外部性, 指一个主体的行动和决策对另一主体造成的收益)?
- A. Air pollution.
  - B. A person litters in a public park.
  - C. A nice garden in front of your neighbor's house.
  - D. The pollution of a stream.
- 64) Which of the following is NOT a method that could effectively deal with negative externalities (负外部性, 指一个主体的行动和决策对另一主体造成的损失)?
- A. Relying on voluntary compliance.
  - B. Taxing the output of industries that pollute.
  - C. Creating legal environmental standards.
  - D. Increasing public spending on cleanup and reduction of pollution.

## 8-Firms' Costs, Revenue, Production and Objectives

- 65) Profits are equal to total
- A. revenue minus total cost
  - B. assets minus total liabilities
  - C. sales minus wages and salaries
  - D. sales minus taxes and depreciation
- 66) Which one of the following is the most likely disadvantage that may arise from the growth in the size of a firm?
- A. An increase in the size of the marketing budget.
  - B. The need to purchase components in large quantities.
  - C. Problems in coordinating different parts of the business.
- 67) "The change in a firm's total revenue that results from employing one additional unit of a resource, when all other factors are kept constant." The statement above describes
- A. marginal product

- B. marginal revenue product
- C. diminishing marginal returns
- D. marginal revenue
- E. marginal utility

68) A basic role of entrepreneurs in the economy is to

- A. create dividends for investors in new businesses.
- B. buy and sell the common stocks of new corporations.
- C. take the risks associated with starting new businesses.
- D. show government what new products the economy can produce and sell.

69) Which of the following is an advantage of a proprietorship (所有权) over a corporation?

- A. There is limited liability for the owner of a proprietorship.
- B. Proprietorships generally have an easier time raising money for expansion.
- C. A proprietor has input from the board of directors of the business.
- D. Proprietorships are generally easier to form than corporations.
- E. Proprietorships are usually more profitable than corporations.

70) In economics, we generally assume it is the goal of the firm to:

- A. maximize utility.
- B. maximize profits.
- C. maximize sales revenues.
- D. minimize average total costs.
- E. minimize total costs.

71) Use the table, showing a firm's short-run cost information, to answer the following question. The fixed costs of producing this product

- A. are \$6.
- B. are \$9.
- C. are \$16.
- D. are \$34.
- E. cannot be determined.

72) Use the table, showing a firm's short-run cost information, to answer the following question. The average variable costs of producing 3 units of output

Quantity of Output	Total Cost
0	\$6
1	\$7
2	\$9
3	\$12

- A. are \$6.
- B. are \$4.
- C. are \$2.
- D. are \$12.
- E. cannot be determined.

73) The following table depicts the level of labor and production for a firm making shirts. Once \_\_\_\_\_ workers are hired, diminishing marginal product (边际产品递减, 指当投入增加时, 每单位投入所带来的边际产品数量的减少) begins.

Number of Workers	Number of Shirts Produced
0	0
1	4
2	9
3	16
4	22
5	26

- A. 1
- B. 2
- C. 3
- D. 4
- E. 5

74) Value of marginal product is defined as the additional

- A. output a firm would receive after hiring one more unit of resource.
- B. cost of hiring one more unit of resource.
- C. revenue earned by selling one more unit of product.
- D. revenue earned by hiring one more unit of resource.

75) Which of the following is an implicit cost (隐性成本, 指不要求公司投入金钱的成本输入)?

- A. Salaries paid to workers who work for the firm.
- B. Interest on money borrowed to finance equipment purchases.
- C. Cash payments for raw materials.
- D. Foregone rent on office space owned and used by the firm.

76) Which of the following is the best example of a variable cost (可变成本)?

- A. Monthly payments for hired labor.
- B. Property tax payments.

- C. Monthly rent payments for a warehouse.
- D. Pension payments to retired workers.

77) The difference between accounting profit (会计利润) and economic profit (经济利润) relates

- A. the manner in which revenues are defined.
- B. how total revenue is calculated.
- C. the manner in which costs are defined.
- D. the price of the good in the market.

78) Smith Tire Co. has total fixed costs of \$100,000 per year. The firm's average variable cost is \$80 for 10,000 tires. At that level of output, the firm's average total costs equal

- A. 90
- B. 100
- C. 110
- D. 120

79) If marginal cost is greater than average total cost then

- A. profits are increasing.
- B. economies of scale are becoming greater.
- C. average total cost remains constant.
- D. average total cost is increasing.

80) Southern Airline flies between Dalian and Beijing. The company leases planes on a year-long contract at a cost that averages \$600 per flight. Other costs (fuel, flight attendants, etc.) amount to \$550 per flight. Currently, Southern Airline's revenues are \$1,000 per flight. All prices and costs are expected to continue at their present levels. If it wants to maximize profit, Southern Airline should

- A. shut down immediately.
- B. continue the flight.
- C. continue flying until the lease expires and then exit.
- D. shut down now but renew the lease if conditions improve.

81) If government officials break a natural monopoly (自然垄断, 指因产业发展的自然需要而形成的垄断状态) up into several smaller firms, then

- A. competition will force firms to attain economic profits rather than accounting profits.
- B. competition will force firms to produce surplus output, which drives up price.
- C. the average costs of production will increase.
- D. the average costs of production will decrease.

82) Sizable economic profits can persist over time under monopoly if the monopolist

- A. produces that output where average total cost is at a maximum.

- B. is protected by barriers to entry.
- C. operates as a price taker rather than a price maker.
- D. realizes revenues that exceed variable costs.

83) The social cost of a good is

- A. its benefit to the people who buy and consume it.
- B. its total benefit to everyone in society.
- C. its cost to everyone in the society that occurs in addition to the private costs.
- D. the cost paid by the firm that produces and sells it.

84) The private benefit of consuming a good is

- A. its benefit to the people who buy and consume it.
- B. its total benefit to everyone in the society.
- C. its cost to everyone in the society.
- D. the cost paid by the firm that produces and sells it.

85) When the marginal product of labor falls, the marginal cost of output

- A. falls, then rises
- B. becomes negative
- C. rises
- D. remains constant

86) As Al' s Radiator Co. continues to add workers, while keeping the same amount of machinery, some workers may be underutilized because they have little work to do while waiting in line to use the machinery. When this occurs, Al' s Radiator Co. encounters

- A. economies of scale.
- B. diseconomies of scale.
- C. increasing marginal product.
- D. diminishing marginal product.

87) An increasing marginal product of labor would be most commonly found

- A. at high levels of employment.
- B. in perfect competition.
- C. at low levels of employment.
- D. when prices are rising.

## 9-Market Structure

- 88) Which of the following conditions distinguishes monopolistic competition (垄断竞争) from perfect competition (完全竞争, 不存在足以影响价格的企业或消费者的市场现象)?
- Differentiation of product.
  - Freedom of entry and exit.
  - Small size firms.
- 89) In a competitive market (竞争市场, 指有许多买者与卖者, 以至于每一个人对市场价格的影响都微乎其微的市场), the price of wheat is likely to be increased by
- a decrease in the supply of wheat.
  - a decrease in the demand for wheat.
  - more capital investment in wheat farms.
  - new machines reducing the cost of producing wheat.
- 90) Which of the following firms is the closest to being a perfectly competitive (完全竞争的, 指许多企业生产同质产品的市场情形) firm?
- Microsoft Corporation.
  - Ford Motor Company.
  - A hot dog vendor in New York.
- 91) A newspaper reports, "COFFEE GROWERS' MONOPOLY (垄断企业, 指一家公司是某种产品的唯一卖方, 且该产品没有紧密替代品) BROKE INTO SEVERAL COMPETING FIRMS." If this is true, we would expect the coffee-growing industry to
- decrease output and decrease prices.
  - increase output and increase prices.
  - decrease output and increase prices.
  - increase output and decrease prices.
- 92) Which would most likely decrease the quantity of corn sold in a competitive market (竞争市场, 指有许多买者与卖者, 以至于每一个人对市场价格的影响都微乎其微的市场)?
- An increase in the price of fertilizer.
  - An increase in the incomes of consumers.
  - A decrease in the price of farm equipment.
  - An improvement in the technology of growing corn.
- 93) A newspaper reports that the price of oranges increased and the quantity sold decreased. In a competitive market (竞争市场, 指有许多买者与卖者, 以至于每一个人对市场价格的影响都微乎其微的市场), this situation would most likely be the result of
- a decrease in demand.

- B. an increase in demand.
- C. an increase in supply.
- D. a decrease in supply.

94) Which of the following best describes natural monopoly (自然垄断, 指因产业发展的自然需要而形成的垄断状态)?

- A. An eco-friendly monopoly.
- B. A firm that can produce at lower average cost than two or more firms.
- C. A monopoly on the agricultural market.
- D. A monopoly that was created without government intervention.

95) In a monopolistic industry (垄断行业, 指只有一个生产者的行业), the prices would be \_\_\_\_\_ and the output would be \_\_\_\_\_ than if the industry were in perfect competition (完全竞争, 指行业里有多个生产者生产同质化的产品).

- A. higher, higher
- B. lower, lower
- C. higher, lower
- D. lower, higher
- E. the same, higher

96) Which of the following is NOT a characteristic of an oligopolistic industry (寡头垄断行业, 指只有几家生产商的行业)?

- A. A few large sellers dominate the industry.
- B. The product may be either homogenous (distinct) or differentiated (standardized).
- C. Oligopolistic firms tend to be large.
- D. Oligopolistic firms have some influence over the prices they charge.
- E. Barriers to entry are weak or nonexistent.

97) In the short run, a pure monopolist (纯粹垄断者, 指一个行业中某种产品的生产和销售完全由一个卖主独家经营和控制) will

- A. always earn economic profits.
- B. always earn a normal profit (breakeven).
- C. always realize a loss.
- D. either earn an economic profit, a loss, or break even depending on revenues and costs
- E. have incentives to produce the largest quantity at the lowest price given by the demand curve.

98) The demand curve faced by a perfectly competitive (完全竞争, 指那些不存在足以影响价格的企业或消费者的市场) firm for the good it sells is:

- A. downward sloping
- B. upward sloping
- C. perfectly horizontal

- D. perfectly vertical
- E. shaped like an umbrella—initially upward sloping then becoming downward sloping.

- 99) Collusive oligopoly (勾结的寡头垄断) produces prices and quantities very similar to those produced by
- A. monopoly.
  - B. monopolistic competition.
  - C. perfect competition.
  - D. non-collusive oligopoly.
- 100) Imperfectly competitive (不完全竞争的, 指至少有一个大到足以影响市场价格的卖者的市场现象) firms are characterized by
- A. horizontal demand curves.
  - B. standardized products.
  - C. a large number of small firms.
  - D. price making ability.
- 101) The supply curve (供给曲线) for the monopolist (垄断者)
- A. is horizontal.
  - B. is vertical.
  - C. is a 45-degree line.
  - D. does not exist.
- 102) If an industry has free entry, it means that
- A. there are no costs of entering into this industry.
  - B. no obvious obstacles, such as legal regulations, high entry costs, monopolistic practices, that impede the entry of new firms in a particular market or industry.
  - C. a firm's marginal cost is zero.
  - D. a firm has no fixed costs in the short run.
- 103) Monopolies (垄断者, 指一家公司是某种产品的唯一卖方, 且该产品没有紧密替代品) use their market power to
- A. charge prices that equal minimum average total cost.
  - B. attain normal profits in the long run.
  - C. restrict output and increase price.
  - D. dump excess supplies of their product on the market.
- 104) The textile industry is a competitive industry composed of a large number of small firms. In recent years, these firms have suffered economic losses and many sellers have left the industry. Economic theory suggests that these conditions will

- A. shift the demand curve outward so that price will rise to the level of production cost.
- B. cause the remaining firms to collude so that they can produce more efficiently.
- C. cause the market supply to decline and the price of textiles to rise.
- D. cause firms in the textile industry to suffer long-run economic losses.

105) Most markets are not monopolies in the real world because

- A. firms usually face downward-sloping demand curves.
- B. supply curves slope upward.
- C. price is usually set equal to marginal cost by firms.
- D. there are reasonable substitutes for most goods.

## 10-Economics of Labor

106) Why do medical doctors generally earn more than farmers?

- A. Medical doctors are more efficient than farmers.
- B. Medical doctors provide a service rather than make a product.
- C. There are fewer medical doctors than farmers in our economy.
- D. Medical doctors are scarcer, given the demand for their services .

107) Which of the following is an assumption made about a competitive labor market?

- A. A firm must offer a higher wage rate to attract more labor.
- B. A firm must offer a lower wage rate to attract more labor.
- C. A firm cannot influence the market wage rate.
- D. The labor supply curve facing a firm is relatively inelastic.

108) Higher wages in an industry would \_\_\_\_\_ the prices of goods in this industry and \_\_\_\_\_ the quantity exchanged

- A. lower; lower
- B. lower; raise
- C. raise; lower
- D. raise; raise

# Macroeconomics

## 1-Basic Concepts

- 1) Which is a basic economic question that must be answered by all economic systems?
  - A. What will be the share of profits that go to businesses?
  - B. What will be the amount of the minimum wage for workers?
  - C. How will goods and services be produced?
  - D. How will government collect income taxes?
  
- 2) A high school student buys a sweatshirt from a store. The sweatshirt is on sale at a 20 percent discount off the regular price. In this exchange
  - A. the student and the store benefit
  - B. the student benefits, but the store does not
  - C. the store benefits, but the student does not
  - D. neither the student nor the store benefits

## 2-Measuring of GDP

- 3) The four categories of expenditures that make up GDP (Gross domestic product, 国内生产总值, 在某一定时期内, 一个国家内生产的所有最终物品与服务的市场价值) are
  - A. consumption, investment, imports, and government purchases.
  - B. consumption, investment, net exports, and government purchases.
  - C. consumption, investment, exports, and government purchases.
  
- 4) Which best measures a nation's standard of living over time?
  - A. Rate of inflation.
  - B. Rate of unemployment.
  - C. Real income per capita.
  - D. Money income per capita.
  
- 5) Gross domestic product (GDP) is a measure of \_\_\_\_\_ within a specified time period.
  - A. the price level of goods and services sold
  - B. total spending by federal, state, and local governments
  - C. the quantity of goods and services produced by private businesses
  - D. the market value of the nation's output of final goods and services
  
- 6) What does UK GDP per capita (人均国内生产总值) measure?
  - A. The total output of London' s economy.

- B. The average disposable income of a UK resident.
- C. The total output of the UK citizens, divided by the number of the citizens.
- D. The total output of the UK' s economy, divided by the country' s population.
- 7) Which would usually reduce total spending in the economy?
- A. A fall in interest rates.
- B. A decrease in business taxes.
- C. A decline in consumer incomes.
- D. A reduction in personal income tax rates.
- 8) An economy's potential output at any time is limited by
- A. the amount of money in circulation.
- B. government regulations and spending.
- C. business demand for final goods and services.
- D. the quantity and quality of labor, capital, and natural resources.
- 9) Which characteristic makes the most positive contribution to people's incentive to produce and exchange goods and services in a market economy (市场经济, 指通过许多公司和家庭在商品和服务市场中互动时的分散决策来分配资源的经济体)?
- A. An equal distribution of income.
- B. Controls on the supply of gold.
- C. Restrictions on consumer choice.
- D. The right to own private property.
- 10) Which of the following will, by the transaction itself, change the value of GDP (Gross domestic product, 国内生产总值, 在某一定时期内, 一个国家内生产的所有最终物品与服务的市场价值)
- A. Your old automobile emits a lot of heavy smoke.
- B. Your dentist fills her tax accountant' s tooth in exchange for accounting services.
- C. Someone you know sells illegal goods from her garage.
- D. You paint your Grandmother' s porch, and she gives you dinner.
- E. You hire a commercial lawn service to mow your lawn.
- 11) For Country A, GDP (Gross domestic product, 国内生产总值, 在某一定时期内, 一个国家内生产的所有最终物品与服务的市场价值) measures
- A. the summed expenditures of consumers, investors, the government, importers, and exporters.
- B. the market value of all goods and services produced in Country A during a given period, excluding the output of foreign-owned firms in Country A.
- C. the market value of all final goods and services produced in Country A during a given period, including the output of foreign firms in Country A.
- D. the market value of all production in Country A in a given period of time, excluding capital

consumption allowances.

E. the sum of all factor costs in Country A over a given period of time.

12) If nominal GDP (名义 GDP, 指按当期价格计算的物品与劳务的市场价值) is \$10,000 in year 1 and \$11,000 in year 2, and the price index for GDP was 120 in year 1 and 140 in year 2, we can say that:

A. the real GDP (实际 GDP, 指按不变的价格来衡量的物品和服务的市场价值) increased between the two years.

B. the real GDP decreased between the two years, and prices fell.

C. the real GDP decreased between the two years, and prices increased.

D. real GDP is above nominal GDP throughout the period.

E. there is not enough information to compare real and nominal GDP changes.

13) U.S. GDP (Gross domestic product, 国内生产总值, 在某一定时期内, 一个国家内生产的所有最终物品与服务的市场价值) does not measure which of the following?

A. Consumer spending

B. Business spending

C. Foreign spending on U.S. goods and services

D. Spending on new residences

E. Purchases of stocks and bonds

14) When you buy an egg at the grocery store, the value is considered a part of GDP (Gross domestic product, 国内生产总值, 在某一定时期内, 一个国家内生产的所有最终物品与服务的市场价值). When a restaurant that sells omelets buys an egg, the value of the egg is not considered to be a part of GDP. Which of the following is true in explaining the difference?

A. The restaurant will use the egg for making omelets they sell.

B. GDP includes the value of only final goods and services.

C. If the restaurant's purchase of the egg were included, the value of the egg would be double-counted in GDP.

D. If you buy an omelet at the restaurant, the price of the omelet is added to final GDP.

E. All of the above are correct.

15) Real GDP (实际 GDP) differs from nominal GDP (名义 GDP) because real GDP

A. changes from year to year, while nominal GDP does not.

B. allows for changes in the quality of goods, but GDP does not.

C. adjusts for the effects of inflation, while nominal GDP is measured in current dollars.

D. does not include adjustments for goods that are exported and imported, while nominal GDP does.

E. does not include the prices of intermediate goods, while nominal GDP does.

16) Real GDP (实际 GDP) is nominal GDP (名义 GDP)

A. plus depreciation.

B. adjusted for changes in the price level.

- C. minus depreciation.
- D. minus taxes.

- 17) Which of the following is a problem with the measurement of GDP (Gross domestic product, 国内生产总值, 在某一定时期内, 一个国家内生产的所有最终物品与服务的市场价值)?
- A. Transfer payments are not included.
  - B. Production in the underground economy is not counted.
  - C. Non-market production is not counted.
  - D. Both b and c are problems.
- 18) The four categories of expenditures that make up GDP (Gross domestic product, 国内生产总值, 在某一定时期内, 一个国家内生产的所有最终物品与服务的市场价值) are
- A. consumption, investment, exports, and government purchases.
  - B. consumption, investment, imports, and government purchases.
  - C. consumption, investment, net exports, and government purchases.
  - D. consumption, investment, net exports, and government transfer payments.
- 19) Suppose that population grows by 2 percent. For the standard of living to rise, which of the following must occur?
- A. Nominal GDP must grow by more than 2 percent.
  - B. Real GDP must grow by more than 2 percent.
  - C. Real GDP per capita must grow by more than 2 percent.
  - D. Consumption spending must grow by more than 2 percent.
- 20) Suppose a person marries his or her gardener and therefore no longer pays him or her for gardening services. GDP (Gross domestic product, 国内生产总值, 在某一定时期内, 一个国家内生产的所有最终物品与服务的市场价值)
- A. stays the same as long as the services are still provided.
  - B. increases since the services are now provided for free.
  - C. decreases since there is no longer a market exchange.
  - D. stays the same, since services are not included in GDP.
- 21) Which of the following would be included in Canadian GDP (国内生产总值, 表示在某一定时期内, 一个国家内生产的所有最终物品与服务的市场价值) for a given year? The market value of:
- A. wine grown in Canada by US citizens.
  - B. electronics made in Japan and sold in Canada.
  - C. movies produced outside Canada by Canadian film makers.
  - D. All above items should be included in Canadian GDP for a given year.
  - E. None of above items should be included in Canadian GDP for a given year.
- 22) Which of the following is NOT included in the calculation of GDP?(国内生产总值, 表示在某一定时期内, 一个国家内生产的所有最终物品与服务的市场价值)?

- A. Government spending on infrastructure
- B. Consumer spending on durable goods
- C. Business investments in new factories
- D. Financial transactions in the stock market

23) Which of the following would be included in Canadian GDP (国内生产总值, 表示在某一定时期内, 一个国家内生产的所有最终物品与服务的市场价值) for a given year? The market value of:

- A. wine grown in Canada by US citizens.
- B. electronics made in Japan and sold in Canada.
- C. movies produced outside Canada by Canadian film makers.
- D. All above items should be included in Canadian GDP for a given year.
- E. None of above items should be included in Canadian GDP for a given year.

24) Real GDP (真实 GDP, 是经过通货膨胀调整的 GDP) always equals nominal GDP (名义 GDP, 是未经通货膨胀调整的 GDP) in:

- A. current year.
- B. base year.
- C. constant year.
- D. every year.
- E. none of above years.

25) The table shows national income account measures from Country A from last year. What was the Gross Domestic Product of Country A?

<b>Personal Consumption Expenditures</b>	<b>\$7,900</b>
<b>Gross Private Domestic Investment</b>	<b>\$1,850</b>
<b>Exports</b>	<b>\$1,350</b>
<b>Imports</b>	<b>\$1,190</b>
<b>Government Goods and Services Expenditures</b>	<b>\$1,000</b>
<b>Federal Tax Revenues</b>	<b>\$900</b>

- A. 10910
- B. 12390
- C. 13290
- D. 14190
- E. 11910

26) If a country' s nominal Gross Domestic Product in 2020 were growing at 6% and inflation rate was 2% in 2020. The real Gross Domestic Product in 2020 was:

- A. 2%
- B. 3%
- C. 4%
- D. 5%

E. 6%

27) Which of the following statements is a disadvantage of GDP measurement?

- A. GDP does not measure the product of foreign labor.
- B. GDP does not reflect the value of goods and services produced at home.
- C. GDP does not use market value to measure goods and services.
- D. GDP measurement does not consider intermediate goods.

### 3-Inflation, deflation and Business Cycle

28) During a recession (经济衰退) in an economy, there will be an increase in

- A. imports.
- B. unemployment.
- C. economic growth.
- D. business spending.

29) If your annual income rises by 50% while prices of the things you buy rise by 100%, then your

- A. real income has risen.
- B. real income has fallen.
- C. money income has fallen.
- D. real income is not affected.

30) Inflation (通货膨胀) is an increase in

- A. interest rates over time.
- B. the standard of living over time.
- C. the general level of prices over time.
- D. real gross domestic product over time.

31) A business cycle (商业周期) is best described as

- A. a recession or depression, measured by fluctuations in macroeconomic variables.
- B. irregular up-and-down movements in economic activity around a trend, measured by fluctuations in macroeconomic variables.
- C. a regular and predictable feature of all free market systems.
- D. a boom in economic activity, measured by fluctuations in macroeconomic variables.
- E. a sharp fall always followed by a slow rise in economic activity around a trend, measured by fluctuations in macroeconomic variables.

- 32) Which price index measures the average price of things purchased by the typical family in an urban area?
- GDP deflator.
  - Producer Price Index.
  - Consumer Price Index.
  - Minimum Wage.
- 33) Mary maintains that she can predict when the economy is going to move up or down a business cycle (商业周期). In fact,
- most economists can predict the business cycle.
  - the business cycle is quite regular, with a new phase beginning every 24 months.
  - business cycles are irregular and unpredictable in the short run.
  - only the Federal Reserve can predict moves in the business cycle.
- 34) The CPI (Consumer price index, 消费者价格指数) differs from the GDP deflator (GDP 平减指数) in that the CPI
- includes raw material prices whereas the GDP deflator does not.
  - includes only goods whereas the GDP deflator includes both goods and services.
  - includes only services whereas the GDP deflator includes both goods and services.
  - includes only items the typical household buys, whereas the GDP deflator includes all goods and services produced in the economy.
- 35) Which item would receive the most weight in the consumer price index (消费者价格指数, 普通消费者所购买的物品与服务的总费用的衡量指标)?
- Salt.
  - Toothpicks.
  - Pencils.
  - Food.
- 36) Last year, you earned \$30,000. This year you earned \$35,000. If the inflation rate (通货膨胀率, 指价格指数与前一时期相比的百分比变化) is 10%, which of the following is true?
- Both your nominal and real incomes increased.
  - Both your nominal and real incomes decreased.
  - Your nominal income increased and your real income decreased.
  - Your nominal income decreased and your real income increased.
  - Your nominal income increased and your real income stayed the same.
- 37) If the price index (价格指数) increases from 105 to 109, the rate of inflation is:
- 0.04
  - 0.036
  - 0.038
  - 0.049

E. 0.01

38) Which of the following statements about inflation (通货膨胀) is correct?

- A. Inflation is an increase in the overall level of prices in the economy.
- B. The growth in the quantity of money can cause inflation.
- C. High inflation imposes various costs on society.
- D. Keeping inflation at a controllable level is a goal of economic policymakers around the world.
- E. All above statements are correct.

39) Which of the following situations would not occur in a period of deflation (通货紧缩时期, 是经济中物价普遍持续下跌的时期)?

- A. Prices of products and services decrease.
- B. Income of households and firms reduce.
- C. Unemployment rises.
- D. The quantity of money contracts.
- E. The value of money falls.

40) Which price measure is considered a leading indicator (领先指标, 又称前导指标, 是在时间上领先于国民经济周期波动的指标, 对经济周期有预测作用) of changes in the inflation rate (通货膨胀率)?

- A. GDP.
- B. GDP deflator.
- C. CPI.
- D. PPI.
- E. Unemployment index.

41) Which item would receive the most weight in the consumer price index (消费者物价指数, 是普通消费者所购买的物品与服务的总费用的衡量指标)?

- A. Transportation.
- B. Housing.
- C. Food and beverages.
- D. Education and communication.
- E. Medical care.

42) Which of the following items can best conclude the description that a measure of the overall cost of the goods and services bought by a typical consumer?

- A. CPI
- B. PPI
- C. GDP
- D. GDP deflator
- E. Inflation rate

43) Which of following situations is not a problem when calculating the cost of living?

- A. When prices change from one year to the next, they do not all change proportionately.
- B. There may appear new goods in the next year.
- C. The quality of goods may deteriorate from one year to the next year.
- D. All above situations are problems when calculating the cost of living.
- E. None of above situations are problems when calculating the cost of living.

44) Some economists feel inflation (通货膨胀, 指经济中物价普遍持续上涨的情况) is bad:

- A. only if it is steady.
- B. only if it is anticipated.
- C. because it reduces real GDP so much.
- D. because it redistributes income arbitrarily.
- E. All above statements are correct.

45) Which of the following problems exist both in inflation period (通货膨胀时期, 经济中物价普遍持续上涨的时期) and deflation period (通货紧缩时期, 经济中物价普遍持续下跌的时期)?

- A. Menu costs.
- B. Redistribution of wealth.
- C. Reduction of the overall demand for goods and services in the economy.
- D. A and B.
- E. A, B, and C.

46) The resources wasted when inflation encourages people to reduce their money holdings are called:

- A. Menu costs.
- B. Shoe leather costs.
- C. Inflation taxes.
- D. Market failure waste.
- E. Arbitrary costs.

47) The CPI (Consumer price index, 消费者物价指数, 普通消费者所购买的物品与服务的总费用的衡量指标) differs from the GDP deflator (GDP 平减指数, 是用名义 GDP 和真实 GDP 的比率乘以 100 计算出得物价水平指标) in that the CPI:

- A. includes raw material prices whereas the GDP deflator does not.
- B. calculates simple average of all prices whereas the GDP deflator does not.
- C. includes only goods whereas the GDP deflator includes both goods and services.
- D. includes only services whereas the GDP deflator includes both goods and services.
- E. includes only items the typical household buys, whereas the GDP deflator includes all goods and services produced in the economy.

- 48) If the consumer price index (消费者物价指数, 普通消费者所购买的物品与服务的总费用的衡量指标) increases from 110 to 115, the rate of inflation is:
- 0.04%
  - 0.05%
  - 4.35%
  - 4.55%
  - 5.35%
- 49) When unanticipated deflation (意外的通货紧缩) occurs:
- lenders gain at the expense of borrowers.
  - borrowers gain at the expense of borrowers.
  - both lenders and borrowers gain at the expense of government.
  - lenders, borrowers and government gain equal amounts.
  - no one party gains at the expense of another.
- 50) Which of the following is a reason why the Consumer Price Index (CPI) is not calculated as a simple average of all prices?
- Some goods experience large price changes and the CPI would be too variable if computed by a simple average.
  - Goods differ in their importance in the average consumer's budget.
  - Some goods never experience price changes and the CPI would not be variable enough if computed as a simple average.
  - It would be difficult to compute a price index using a simple average of all prices.

## 4-Economic Growth

- 51) All other things being equal, which one of the following is most likely to increase an economy's underlying trend rate of growth? A rise in the rate of growth of
- household income
  - inflation
  - labor productivity
- 52) Economies that grow rapidly over time usually have a high rate of
- growth in gold reserves.
  - capital investment.
  - unemployment.
  - tariffs.
- 53) Which one of the following do economists consider to be an example of capital goods (资本货物, 也可以看做经济学中的资本, 主要是指一种储存性财富或者生产制造模式)?

- A. Money in a bank.
- B. Machines in an auto plant.
- C. Corporate bonds of an oil company.
- D. Common stocks in a computer business

54) How does a nation typically acquire more capital goods (资本货物, 也可以看做经济学中的资本, 主要是指一种储存性财富或者生产制造模式) and increase productivity (生产率, 指一个工人一个小时所生产的物品与劳务数量)?

- A. By increasing the money supply and the rate of inflation.
- B. By increasing private saving and business investment.
- C. By decreasing the length of the workweek for the labor force.
- D. By increasing the growth rate of the population in the nation.

55) If one wants to know how the material well-being of the average person has changed over time the appropriate measure to look at is the

- A. growth rate of real GDP.
- B. growth rate of nominal GDP.
- C. growth rate of per capita real GDP.
- D. growth in the percentage of the labor force that is employed.

56) Historical evidence indicates that scarcity (稀缺性, 指社会资源的有限性) of natural resources has

- A. caused slower world economic growth.
- B. nearly stopped economic growth in most countries throughout the world.
- C. not limited economic growth.
- D. limited economic growth, but only in high-growth countries.

57) Investments in human capital are often opposed because

- A. investments in plant and machinery are more important.
- B. the increase in productivity comes with opportunity costs to workers and firms.
- C. investments in plant and machinery will have greater monetary payoffs.
- D. they rarely lead to long-term economic growth.

58) One reason the prices of some exhaustible natural resources have fallen is

- A. their supply has decreased rapidly.
- B. the demand for them has increased quite rapidly.
- C. technical progress has increased their supply.
- D. they are not subject to diminishing returns.

59) Which of the following occurs as economies grow and individuals achieve higher standards of living?

- A. Consumption becomes a smaller portion of GDP.

- B. Geo-political risks increase.
- C. Some jobs are created, and others are destroyed.
- D. The rich get rich at the expense of the poor.
- E. Trade with other countries dwindles.

## 5-Employment and Unemployment

- 60) When workers join unions and elect representatives to negotiate with their employers, this is referred to as
- A. a closed shop.
  - B. the seniority system.
  - C. collective bargaining.
  - D. right to work legislation.
- 61) An economy will typically experience a decline in its unemployment rate (失业率) when there is
- A. an increase in population.
  - B. a decrease in consumer incomes.
  - C. an increase in economic growth.
  - D. a decrease in business investment.
- 62) Which of these is not considered a type of unemployment?
- A. Frictional unemployment
  - B. Structural unemployment
  - C. Seasonal unemployment
  - D. Family unemployment
  - E. Cyclical unemployment
- 63) If a person voluntarily quits her/her job and does not find another suitable one for 5 months, this is an example of
- A. structural unemployment.
  - B. frictional unemployment.
  - C. short-duration unemployment.
  - D. cyclical unemployment.
  - E. this is not an example of unemployment since the person left their job voluntarily.
- 64) Which of the following people would be officially counted as unemployed?
- A. someone who is a full-time student
  - B. someone who is retired
  - C. a person who has just graduated from college looking for a first job
  - D. a person who has given up looking for work

- E. someone who works in the family business without pay
- 65) The process of negotiation between union and management to arrive at a labor contract is called
- arbitration
  - mediation
  - collective bargaining
  - reconciliation
- 66) Yuan recently completed his college degree and is entering the labor market for the first time. He has been submitting applications and has been interviewed twice in the last two weeks, but so far has not found a job. Yuan could be classified as
- frictionally unemployed
  - seasonally unemployed
  - structurally unemployed
  - cyclically unemployed
- 67) According to economists who emphasize the connection between productive contribution and economic reward, a more equal income distribution
- is fundamental to economic growth.
  - always helps the poor in the long run.
  - creates inefficiency.
  - generates greater productivity.
- 68) Equity (公平) involves
- whether or not the outcome of an economic system is as large as possible.
  - whether or not the outcome of an economic system is divided fairly among participants.
  - the way that government becomes involved in fighting for an efficient allocation of resources.
  - maximization of total surplus.

## 6-Aggregate Demand and Aggregate Supply

- 69) Aggregate demand (总需求) is
- the relationship between the overall price level and the quantity demanded of aggregate output at a particular time.
  - the relationship between price and the quantity that sellers demand.
  - a direct relationship between prices and output, given the interest rate.
  - the total amount of any particular good all consumers demand.
  - an upward sloping relationship on a graph.

70) Of the following, which is most likely to generate long-term improvements in a nation's standard of living?

- A. Increases in population growth
- B. Increases in total labor supply
- C. Increases in labor productivity
- D. Increases in government regulation of business
- E. Increases in the money supply

## 7-Monetary System

71) What primary function is money serving when it is used to buy a ticket to a movie?

- A. Store of value.
- B. Flow of funds.
- C. Unit of account.
- D. Medium of exchange.

72) An increase in real interest rates (真实利率, 指根据通胀进行修正后的利率) provides an incentive for people to save

- A. less and borrow less.
- B. more and borrow less.
- C. less and borrow more.
- D. more and borrow more.

73) A decrease in real interest rates (真实利率, 指根据通胀进行修正后的利率) provides an incentive for people to save

- A. more and borrow more.
- B. less and borrow less.
- C. more and borrow less.
- D. less and borrow more.

74) Which item is included in the basic money supply (货币供应) in the U.S.?

- A. Gold.
- B. Silver.
- C. Corporate bonds.
- D. Checking account deposits.

- 75) The major purpose of the commercial banking system (商业银行系统) in the economy is to
- sell corporate stocks and bonds.
  - hold financial assets for the Federal Reserve System.
  - loan funds from depositors to credit-worthy borrowers.
  - earn a rate of return on money invested with government agencies.
- 76) Money is important to an economy because it fulfills several functions. Which of the following does not describe one of the functions of money?
- You put a \$20 bill in your desk drawer for use later.
  - You send a check to your landlord for the rent.
  - You exchange shoveling the driveway for use of your landlord's car.
  - You put \$50 in your savings account.
  - You decide which gift to buy by comparing their dollar prices.
- 77) The Federal Reserve System:
- only acts when the economy is in crisis.
  - is run by the government.
  - has no effect on the economy other than setting interest rates.
  - pursues independent monetary policy.
  - pursues independent fiscal policy.
- 78) Households make their savings available to borrowers through
- resource markets.
  - the loanable funds market.
  - the labor market.
  - taxes.
- 79) Which of the following is the opportunity cost (指为了获得某些东西而必须放弃的其他东西) of money?
- Money is a means of payment.
  - The trouble of having to get money out of the bank.
  - The interest forgone by holding money.
  - The ability to purchase things at a moment's notice.
- 80) Fred Jones won a lottery prize of \$1 million. He put the money in the bank to save it for his daughter's college education. For him, money was functioning primarily as a
- unit of account
  - store of value
  - means of payment
  - type of short-term loan
- 81) A reduction in the money supply is likely to
- reduce the interest rate

- B. increase the interest rate
- C. increase inflation

- 82) If the legal reserve requirement decreases, the
- A. money multiplier increases.
  - B. money multiplier decreases.
  - C. amount of excess reserves the bank has decreases.
  - D. money multiplier is unaffected.

## 8-Macroeconomics Policies

- 83) Which one of the following is most likely to be classified as a supply-side policy (供给侧政策, 旨在调整经济结构, 使要素实现最优配置)?
- A. An increase in the government budget deficit
  - B. A reduction in the exchange rate
  - C. A reduction in welfare benefits
- 84) Which one of the following combinations of policy instruments involves only the use of monetary policy (货币政策, 指中央银行的政策制定者对货币供应的设定) measures?
- A. Lower interest rates and a reduction in the exchange rate
  - B. Lower interest rates and a budget deficit
  - C. Lower taxes and more government spending
- 85) Which one of the following is an instrument of monetary policy (货币政策, 指中央银行的政策制定者对货币供应的设定)?
- A. The exchange rate (汇率)
  - B. Taxation
  - C. The inflation rate
- 86) Supply-side policies (供给侧政策, 旨在调整经济结构, 使要素实现最优配置) are aimed mainly at
- A. reducing the government' s budget deficit.
  - B. improving the underlying trend rate of economic growth.
  - C. combating cyclical unemployment (周期性失业).
- 87) One reason the federal government might reduce taxes is to
- A. slow the rate of inflation.
  - B. slow a rapid rise in interest rates.
  - C. decrease business spending on plant and equipment.
  - D. increase consumer spending and stimulate the economy.

- 88) A government budget surplus (财政盈余) exists when
- A. tax revenues are greater than government spending.
  - B. government spending is decreased.
  - C. the national debt is increasing.
  - D. taxes increased.
- 89) A government budget deficit (财政赤字) exists when
- A. tax revenues are falling.
  - B. government spending is rising.
  - C. the national debt is decreasing.
  - D. government spending is greater than tax revenues.
- 90) Changes in government spending and tax policy is known as:
- A. monetary policy.
  - B. balanced budget policy.
  - C. fiscal policy.
  - D. line-item budget policy.
  - E. discretionary policy.
- 91) If the government wanted to decrease inflation, it could:
- A. Do nothing —inflation will take care of itself.
  - B. Decrease taxes.
  - C. Decrease interest rates.
  - D. Decrease government spending.
- 92) \_\_\_\_\_ is the use of government expenditures and taxes to promote full employment, stable prices, and economic growth.
- A. Monetary policy
  - B. Incomes policy
  - C. Stabilization policy
  - D. Fiscal policy
- 93) The government budget deficit (财政赤字) is
- A. the difference between government purchases and government revenues from bonds and taxes.
  - B. caused by a lack of business sector investment.
  - C. created when the government expenditures exceed net taxes.
  - D. caused by leakages in the economy.
- 94) Budget deficit (预算赤字) shows:
- A. an excess of government spending over government receipts.

- B. an excess of government receipts over government spending.
- C. an excess of government investment spending over government tax revenues.
- D. an excess of government tax revenues over government investments.
- E. an excess of government investment spending over investment revenues.

95) When government policies are designed, which of the following goals often conflict?

- A. Efficiency and equality.
- B. Efficiency and quality.
- C. Time efficiency and accuracy.
- D. Equality and budget deficits.
- E. Quality and budget deficits.

96) What is monetary policy (货币政策, 是中央银行的政策制定者对货币供应的设定)?

- A. Changes in the money supply and interest rates
- B. Changes in government spending and taxes
- C. Changes in regulations
- D. Changes in tariffs and quotas
- E. None of the above

97) If there is a recession, the Fed would most likely

- A. encourage banks to provide loans by raising the discount rate.
- B. restrict bank lending by lowering the discount rate.
- C. encourage banks to provide loans by lowering the discount rate.

98) Which monetary policy would the Federal Reserve most likely adopt as the economy moves into recession during a period of low inflation?

- A. Lower the federal funds rate.
- B. Increase federal income tax rates.
- C. Decrease purchases of government bonds.
- D. Raise the reserve requirements for banks.

99) Which monetary policy would the Federal Reserve most likely adopt to fight high inflation during a period of low unemployment?

- A. Raise the federal funds rate.
- B. Increase the supply of money.
- C. Increase federal government spending.
- D. Lower the reserve requirements for banks.

100) Which of the following actions by the Federal Reserve would decrease the money supply?

- A. Open market purchases of government securities.
- B. Open market sales of government securities.
- C. Decreases in the discount rate.

- D. Lowering the reserve requirement.
- E. Printing less money.