

考試別：外交人員考試

等 別：三等考試

類科組別：外交領事人員類科英文組二

科 目：國際經濟（以英文命題及作答）

考試時間：2小時

座號：_____

※注意：禁止使用電子計算器。

甲、申論題部分：（75分）

(一)請以英文作答，不必抄題，作答時請將試題題號及答案依照順序寫在申論試卷上，於本試題上作答者，不予計分。

(二)請以藍、黑色鋼筆或原子筆在申論試卷上作答。

一、“Gains from trade”, as relatively to autarky, indicates the benefit caused from international trade. Please answer the following related questions.

(一) Use proper graphs to explain the “gain from exchange” (consumption gain) and the “gains from specialization” (production gain) in the Ricardian model and the neoclassical trade theory respectively. (10 points)

(二) Gains from trade in the international monopolistic competitive markets. (10 points)

二、The “U.S.-Taiwan Initiative on 21st-Century Trade” is a free trade initiative for both Taiwan and the U.S.. Please illustrate the process and the achievements till now and the possible important issues in the following stage. (10 points)

三、In the Home Market, the demand curve and supply curve of cars are $D = 700 - P$ and $S = -100 + P$, respectively. The price of cars in the international market is \$500.

(一) What is the export supply function of Home? (5 points)

(二) What are the gains from trade if Home can export cars? (5 points)

(三) How will the Home’s social welfare be changed if Home government subsidizes exports with \$100 per unit? (10 points)

四、Use the information in the following table (based on the Balance of Payments and International Investment Position Manual, Sixth Edition) on country X's international transactions to answer the following questions (amount are millions of U.S. dollars):

Transactions	Amount
Goods: credit (exports)	\$32,000
Goods: debit (imports)	\$38,000
Services: credit (exports)	\$25,000
Services: debit (imports)	\$15,000
Primary income: credit	\$34,000
Primary income: debit	\$32,000
Secondary income: credit	\$9,000
Secondary income: debit	\$11,000

- (一) What is X's balance of goods and services? (5 points)
- (二) What is X's current account balance? (5 points)
- (三) If country X is under fixed exchange regime, what are the effects of X's current account balance on its price level, money supply, and the value of X's currency relative to U.S. dollar? (15 points)

乙、測驗題部分：(25分)

代號：6109

(一)本試題為單一選擇題，請選出一個正確或最適當答案。

(二)共20題，每題1.25分，須用2B鉛筆在試卡上依題號清楚劃記，於本試題或申論試卷上作答者，不予計分。

- The interest rate on corporate bonds is typically _____ than the interest rate on treasury bonds of the same maturity because corporate bonds are _____.
 (A) higher; riskier (B) higher; safer (C) lower; riskier (D) lower; safer
- A country adopts an aggressive expansionary monetary policy that greatly expands its money supply. This will most likely _____.
 (A) increase inflation and appreciate the currency
 (B) increase inflation and depreciate the currency
 (C) decrease inflation and appreciate the currency
 (D) decrease inflation and depreciate the currency
- Other things being equal, fiscal stimulus is likely to have a smaller short-term multiplier if _____.
 (A) it is targeted at lower-income households
 (B) the country is in a recession
 (C) it applies to infrastructure projects that take many years to complete
 (D) inflation is well below the central bank's long-term target

- 4 A Big Mac meal costs \$5 in the United States and 50 pesos in Mexico. The market exchange rate between U.S. dollars and pesos is 20 pesos per \$1. Average income per capita in the United States is \$60,000, and average income per capita in Mexico is 200,000 pesos. Measured using the market exchange rate, Mexican income per capita in U.S. dollars is _____. Adjusted for Purchasing Power Parity (using the Big Mac meal as the basket of goods), Mexican income per capita is _____.
- (A) \$10,000; \$20,000 (B) \$20,000; 4,000 Big Macs
(C) \$40,000; 40,000 pesos (D) \$400,000; \$40,000
- 5 The U.S. government reports that job growth was unexpectedly high. As a result, markets expect that the Federal Reserve Board is likely to _____, and in that day's trading, long-term bond yields _____.
- (A) raise interest rates; are unchanged (B) raise interest rates; rise
(C) cut interest rates; rise (D) cut interest rates; fall
- 6 China and the U.S. both produce two goods: tradable cellular phones, and non-tradable haircuts. Each good is produced in competitive markets in a single process. Workers receive the marginal productivity for their labor. There are no trade costs for cellular phones, while for haircuts they are prohibitively high. The wage for per hour work is w RMB (Yuan) in China and w^* dollars in U.S.. Suppose that, in one hour, a Chinese laborer produces 3 cell phones and an American laborer produces 15 cellular phones, while one laborer produces only one haircut in both countries. Suppose the price of a cellular phone is 2 RMB. Let E be the nominal exchange rate of RMB per dollar. If $E = 5$, what is the price of a cellular phone in dollars?
- (A) 0.8 (B) 0.5 (C) 0.4 (D) 0.3
- 7 Suppose that Guatemala can produce 1 ton of bananas or 2 tons of sugarcane on one acre of land, and that Brazil can produce 6 tons of bananas or 3 tons of sugarcane on one acre of land. Hence, _____ has the comparative advantage in sugarcane production because it can produce sugarcane for the lowest _____.
- (A) Guatemala; opportunity cost (B) Guatemala; total cost
(C) Brazil; opportunity cost (D) Brazil; total cost
- 8 Other things being equal, what will happen to the price of a bond if the rate of return on similar assets rises?
- (A) The price of the bond goes up.
(B) The price of the bond goes down.
(C) This will not affect the price of the bond.
(D) The price of the bond might go up, go down, or remain the same.
- 9 During an international financial crisis, many depositors' withdrawing of their funds from a bank at the same time is most likely to cause _____.
- (A) a fire sale of the bank's assets (B) the bank's liabilities to rise
(C) the bank's cash reserves to increase (D) an increase in lending by the bank
- 10 Other things being equal, an increase in U.S. interest rates relative to interest rates in the rest of the world will cause the dollar to _____ and net exports to _____.
- (A) appreciate; drop (B) depreciate; drop
(C) appreciate; increase (D) depreciate; increase
- 11 Under the flexible exchange rate system, the responses of an economy to a temporary fall in foreign demand for its exports are _____.
- (A) output falls, and the domestic currency appreciates
(B) output falls, and the domestic currency depreciates
(C) output increases, and the domestic currency depreciates
(D) output remains constant, and the domestic currency depreciates
- 12 Country S is endowed with 1,200 units of labor and can produce two tradable commodities, i.e., clothing and computers. The labor requirement per unit of clothing is 8 and that of computers is 16. Country N is endowed with 800 units of labor and requires 4 units of labor per unit of clothing and 5 units of labor per unit of computers. What is the opportunity cost of clothing in terms of computers for countries S and N , respectively?
- (A) 1.2; 2 (B) 2; 1.2 (C) 0.8; 0.5 (D) 0.5; 0.8

- 13 Which of the following is the closest to a lender of last resort of the world?
(A) The World Bank (B) The International Monetary Fund
(C) The World Trade Organization (D) The United Nations
- 14 Fixed exchange rate regimes have the advantage in that they _____, but have the disadvantage in that they _____.
(A) promote trade; make it impossible to conduct independent countercyclical monetary policy
(B) make it possible to conduct independent countercyclical monetary policy; discourage trade
(C) eliminate current account deficits; make it impossible to conduct independent countercyclical monetary policy
(D) eliminate current account deficits; discourage trade
- 15 Which of the following is the reason why do economies often see stronger economic growth accompanied by larger trade deficits?
(A) Higher output leads to greater consumption and investment, including that of imported goods. Imports therefore go up and net exports go down.
(B) Countries generally get stronger growth through expansionary monetary policy, and expansionary monetary policy therefore increases trade deficits.
(C) Lower tariffs help economic growth and also result in substantial reductions in the trade deficit.
(D) The labor demand curve shifts to the left due to wages going down.
- 16 The United States agrees with China that from now on China will buy their soybeans from the United States instead of from Brazil. This decision is not expected to change the overall levels of national saving and investment in the U.S.. This is most likely to _____ the U.S. trade deficit with China and _____ the U.S. trade deficit with countries other than China.
(A) decrease; decrease (B) decrease; not change
(C) decrease; increase (D) not change; not change
- 17 By fixing the exchange rate, which of the following impacts should the central bank give up?
(A) Increasing government spending.
(B) Influencing the economy through fiscal policy.
(C) Depreciating the domestic currency.
(D) Influencing the economy through monetary policy.
- 18 The Heckscher-Ohlin model of comparative advantage differs from the Ricardian model in that the former model has _____.
(A) two countries
(B) two products
(C) two factors of production
(D) two production possibility curves (one for each country)
- 19 Which of the following events triggered the East Asian financial crisis in 1997?
(A) South Korea's inability to pay its debts. (B) Devaluation of South Korea's currency.
(C) Thailand's inability to pay its debts. (D) Devaluation of Thailand's currency.
- 20 When comparing standards of living across countries in the same year, economists typically _____.
(A) use market exchange rates to express GDP per capita in the same currency units
(B) use purchasing power parity adjustments to express GDP per capita in the same currency units, and account for differences in the cost of living
(C) use price indices to adjust GDP per capita for inflation in both countries
(D) look at overall GDP rather than GDP per capita