Economics

Essay questions (問題): Please answer the following questions specifically. Each question counts 10 points. Total points are 100 points. There are 10 essay questions in this examination. No calculator is allowed. No calculation is needed in this examination. You could answer the question with either Chinese or English.

1. What is the consumer optimum, using utility theory?

2. Discuss the factors that affect the price elasticity of demand.

3. What is the difference between the short run and the long run? What is the appropriate time dimension of the long run?

4. Explain the role of advertising in monopolistic competition. Describe how advertising by all firms in a monopolistically competitive industry impacts a firm's ATC curve, its MC curve, its demand curve, and its MR curve.

5. What is game theory and what light does it shed on the duopolists' dilemma?

6. Explain how disposable personal income is derived from gross domestic product.

7. What is the aggregate demand curve and what does it represent?

8. Explain how indirect crowding out can offset expansionary fiscal policy.

9. How does monetary policy affect real GDP according to Keynesians? What is the key as far as Keynesians are concerned?

10. What is the Phillips curve? What does the Phillips curve suggest about optimal policy?