1. Consumer choice decision:
   (1) Economist George Stigler once wrote that, according to consumer theory, "if consumers do not buy less of a commodity when their incomes rise, they will surely buy less when the price of the commodity rises." Explain. (5 points)
   (2) Two drivers, Tom and John, each drive up to a gas station. Before looking at the price, each places and order. Tom says, "I'd like 10 gallons of gas." John says, "I'd like $10 worth of gas? What is each driver's price elasticity of demand? (6 points)

2. Based on market research, a film production company obtains the following information about the demand and production costs of its new DVD:
   Demand: \( D = 1000 - 10Q; \)
   Marginal Cost: \( MC = 10 + 10Q \)
   Where \( Q \) indicates the number of copies sold and \( P \) is the price in dollars.
   (1) Find the price and quantity that maximize the company's profit. (3 points)
   (2) Find the price and quantity that would maximize the social welfare. (3 points)
   (3) Calculate the deadweight loss from monopoly. (3 points)
   (4) Supposed, in addition to the costs above, the director of the film is also paid by $150 per unit sold. Calculate the profit-maximizing price and quantity. (3 points)

3. A friend of yours is considering two cell phone service providers.
   Provider A charges $120 per month for the services regardless of the number of phone calls made. Provider B does not have a fixed service fee but instead charges $1 per minutes for calls. Your friend's monthly demand for minutes of calling is given by the equation \( Q = 150 - 50P \), where \( P \) is the price of a minute.
   (1) With each provider, what is the cost to your friend of an extra minute on the phone? (3 points)
   (2) In light of your answer to (1), how many minutes with each provider would your friend talk on the phone? (3 points)
   (3) How much would she end up paying each provider every month? (3 points)
   (4) How much consumer surplus would she obtain with each provider? (3 points)
   (5) Which provider would you recommend that your friend choose? Explain. (3 points)
4. Suppose that in a year American can produce 100 shirts or 20 computers, while Chinese worker can produce 100 shirts or 10 computers.

(1) Graph the production possibilities for two countries. (3 points)

(2) Suppose that without trade the workers in each country spend half of their time producing each good. Identify this point in your graph. (3 points)

(3) Which country has the comparative advantage in the production of each good? (3 points)

(4) If these countries were open to trade, explain at what price of computers (in terms of shirts) the two countries might trade. (3 points)
5. (1) 台灣經濟成長率在 2015 年明顯下滑，請問在目前國際金融環境下，政府能如何運用貨幣政策與財政政策來提升經濟成長率？那種政策較為有效？為什麼？（15 分）

(2) 政府在運用貨幣政策與財政政策時，可能受到的限制為何？（10 分）

6. (1) 在影響外匯供給與需求的因素當中，造成台幣近期貶值的主要因素有那些？（15 分）

(2) 石油(布蘭特原油) 價格從 2014 年 6 月的每桶 115 美元跌到近期 2016 年 1 月的 30 美元左右，請問如果石油價格持續下跌對全球經濟與金融市場可能的影響為何？（10 分）