

# 經濟學

## 3 Course Announcements:

- I) **Homework #2**
- II) **Final Exam Review**
- III) **Final Exam**

## I) Homework #2

**Due by 1/18 (四), 交給助教**

Homework #2

Due before final exam – 1/18 (四) – 交給助教

Students can work in groups of up to 15 students

Each group should turn in ONE copy of the homework which includes all the students' full names and ID numbers.

Homework must be typed but graphs may be hand drawn, but must be clearly drawn.

When using computers to type homework, you may write in Chinese or English.

At the end of each chapter find the section titled:

**“Problems and Applications”** (10 problems / 10 pts each)

Chapter 6: 3, 6

Chapter 7: 5, 8, 10

Chapter 8: 1, 3, 10

Chapter 9: 2, 7

## II) Final Review

**Final Exam: 1/18 (四), 12:20 – 1:50pm, B427, B428**

You may bring ONE sheet of A4 notes, a calculator and a book dictionary.

**NO TEXTBOOK / NO CELL PHONES – COMPUTERS**

The final exam will be in English, but you may answer in Chinese or English – but you must write clearly. All graphs should have axes labelled clearly.

Final Exam covers Chapters 6 – 9.

There are three types of questions:

- Definitions
- Multiple Choice
- Short Answer
  
- Definitions come from each chapter's "key concepts" which are listed both at the end of each chapter, and their definitions are given on the side of the text.
  
- Multiple choice question require you to identify the correct answer among several possible answers.
  
- Short answer questions will require you to analyze issues and calculate answers.

**SUGGESTED TOPICS TO PREPARE FOR**

**Chapter 6) – Supply, Demand and Government Policies**

- Understand what a price ceiling is and be able to calculate its effects on total surplus when binding.
- Understand what a price floor is and be able to calculate its effects on total surplus when binding.

## **Chapter 7) – Consumers, Producers and the Efficiency of Markets**

- Understand the difference between individual and total consumer surplus and be able to calculate total consumer surplus
- Understand the difference between individual and total producer surplus and be able to calculate total producer surplus
- Know what Total Surplus is and how to calculate its value.
- What does it mean for a market to be efficient?

## **Chapter 8) – Application: The Costs of Taxation**

- What the deadweight loss caused by a tax is and be able to calculate its value, which includes knowing the effects on both total consumer and producer surplus?
- What market factors determine whether the deadweight loss of a tax is large or small? Explain what characteristics of supply and demand give rise to a large or small deadweight loss.
- What is the definition of Total Surplus when there are consumers, producers and a government collecting taxes?
- What is the relationship between tax rates, deadweight loss, total surplus, and tax revenue?

## **Chapter 9) – Application: International Trade**

- World price and comparative advantage
- Domestic price
- What does the comparison of the world price and domestic price tell us?
- Be able to calculate Total Surplus when a country allows free trade to begin (for both cases – namely – when world price is greater than domestic price AND when world price is less than domestic price).
- When does a country become an importer/exporter of a good? Why?
- Suppose there is free international trade and a country is an importer of a good. If the government imposes a tariff on imports, what happens to the quantities of imports, total consumer surplus, total producer surplus and total surplus?
- Does a tariff cause a deadweight loss? If so be prepared to calculate its value.

### **III) Final Exam**

**1/18 (四), 12:20 – 1:50pm**

- **管科 B428**

- **保險 B427**