考試科目 Course	經濟學	系級	國貿所	日期 Date, Period	6月10日 第一,二節	試題編號 Course No.	25

一、假設消費者對兩商品的效用函數為

$$U(C_1, C_2) = \frac{[C_1^{\alpha} C_2^{1-\alpha}]^{1-\sigma}}{1-\sigma} \qquad \sigma \neq 1$$

(1) 請導出消費者對商品的需求函數。

(2) 請導出間接效用函數和支出函數。

(3) 假設其他情況不變，請導出商品一的價格上升所產生的所得和替代效果。 (25%)

二、在一李嘉圖模型中，假設兩國的生產技術(每單位產出所需的勞動量)分別為(如右)並假設兩國的勞動稟賦均為100單位，且兩國人民的效用函數一樣，均為

國別 \ 商品	X	Y
本國	20	10
外國	5	10

$$U(C_X, C_Y) = C_X C_Y$$

請計算和說明上述兩國的貿易基礎(比較利益)、貿易型態和貿易利得。 (25%)

三、假設有一總體經濟模型如下：

IS: $y = A + T$

$A = c(1-t)y - br + g \qquad 0<c<1 \quad b>0$

$T = \alpha S - my + a y^f \qquad \alpha, m, a > 0$

LM: $\bar{M} = \phi y - \lambda r \qquad \phi, \lambda > 0$

BP: $r = r^f$

其中，y: GNP(國民所得)，A: 國內吸納，g: 政府支出，T: 貿易順差，r和r^f: 本國與外國利率，$\bar{M}$: 貨幣供給，S: 匯率 (接下頁)

考試科目 Course	經濟學	系級	國貿所	日期 Date. Period	6月1日 第一、二節	科目代號 Course No.	75

請計算出
(1) 封閉經濟體系下，財政政策的乘數效果。
(2) 開放經濟體系和固定匯率制度下，財政政策的乘數效果。
(3) 開放經濟體系和浮動匯率制度下，財政政策的乘數效果。
(4) 比較上述三者的大小。 (25%)

四、在下列三種生產函數中，

$\langle I \rangle$ $F(K,L) = \min\left(\frac{L}{a}, \frac{K}{b}\right)$ $a, b > 0$

$\langle II \rangle$ $F(K,L) = K^{\alpha}L^{1-\alpha}$ $0 < \alpha < 1$

$\langle III \rangle$ $F(K,L) = AK$

請說明和計算其成長率
(1) Harrod-Domar 的成長理論；
(2) Solow 的新古典成長理論；
(3) 內生性成長理論。 (25%)

考試科目 Course	英文	系級	國際貿易	日期 Date, Period	6月10日 第3節	試題編號 Course No.

1. 請用中文寫出本篇文章的摘要。（40分）
你同意本篇文章的看法嗎？說明你的理由。

Finance on the loose

The record of the past 25 years shows that there is more to financial liberalisation than freeing international flows of capital

UNDERSTANDABLY, given the role that cross-border flows of capital played in East Asia's economic downfall, people have come to think of "financial liberalisation" as another way of saying "lifting capital controls". This is wrong. Opening the capital account is only one aspect of a much broader process—and rarely the most important. Recognising this makes it easier to see why financial liberalisation is still desirable, provided it is done right.

John Williamson of the World Bank and Molly Mahar of the San Francisco Fed recently published a survey of research on this subject. They point out that it is 25 years since two classics in the literature—"Money and Capital in Economic Development" by Ronald McKinnon, and "Financial Deepening in Economic Development" by Edward Shaw—drew attention to the costs of "financial repression" in the third world. In the early 1970s, most developing-country governments intervened so heavily in finance that civil servants were deciding where credit came from, who received it and how much it cost. The result, among other things, was to keep financial sectors small making the term "repression" especially apt.

Since those books were published, financial reform has happened much faster than seemed likely back then—often, indeed, a lot faster than the early advocates of liberalisation would have wished. (From the start, most liberalisers have stressed the importance of timing the various stages of reform very carefully.) Be that as it may, financial deregulation across a broad front has happened all over the world—in rich countries as well as poor—and this allows some preliminary conclusions to be drawn about its benefits and costs. The essay by Mr Williamson and Ms Mahar gives the clearest summary so far of the evidence.

The authors identify six dimensions of financial liberalisation:

- Abolishing credit controls;
- Deregulating interest rates;

ECONOMICS FOCUS

- Allowing free entry into the banking industry or, more generally, into the financial-services industry;
- Making banks autonomous (that is, freeing them from ad hoc interference in day-to-day management);
- Putting banks in private ownership;
- Freeing international capital-flows.

Of these six, the case for "bank autonomy" deserves further comment. Liberalisers never argued that effective supervision and regulation were not required—quite the opposite. The moral hazard in banking (caused by implicit or explicit government guarantees of deposits) makes proper oversight essential. But the liberalisers did object to routine official interference of a discretionary (as opposed to rules-based) kind. Interference of that sort was the norm in the early 1970s.

The new survey looks at 34 economies, rich and poor, asking how far liberalisation under each heading has gone. The change is dramatic. Summarising by means of a four-point scale ("repressed", "partly repressed", "largely liberal", and "liberal"), 24 economies were judged to be repressed, overall, in 1973. By 1996 that category was completely deserted. Meanwhile the number of largely liberal financial systems had increased from two to 18, and the number of liberal ones from four to ten.

The liberalisers had argued that reform would (a) lead to greater efficiency in the allocation of resources, and (b) promote saving. Both of these changes would, in turn, spur growth. Were they right?

On (a)—efficiency in the allocation of investment—they were. Numerous studies have found that financial liberalisation does promote efficient investment. Unsurprisingly, it seems that markets are better than politicians or bureaucrats at choosing worthwhile investment projects.

On whether liberalisation promotes growth through the extra-savings channel as well as through the efficient-investment channel, on the other hand, the evidence is less clear. Britain in the 1980s was a striking example of a country where financial liberalisation appeared to reduce saving. Argentina, Chile, Colombia and the Philippines experienced a similar effect, post-liberalisation—though in Chile at least this was later reversed.

What of the costs? Against the benefit of improved efficiency must be set the equally clear drawback of greater susceptibility to financial crisis. Here, cross-border capital flows are especially important. The survey shows that financial crises are often associated with a recently opened capital account. Again, there are exceptions. Argentina (in 1989), Venezuela (in 1994), South Africa (in 1985), Brazil (in 1994), South Korea (in the mid-1980s) and Sri Lanka (in the early 1990s) all suffered financial crises of varying severity despite being closed to short-term capital inflows.

Sometimes, that is, other aspects of liberalisation have been to blame for the increase in instability. In general, financial liberalisation represents a profound change in the economic rules of the game. The result, as one of the cited studies puts it, is to "increase the riskiness of traditional behaviour or introduce new and inexperienced players." In these circumstances, accidents are likely to happen. This is as true for rich countries (witness the United States and its saving-and-loans fiasco, or Britain and its credit-driven boom of the late 1980s) as for poor ones.

What muddies the water, however, is that liberalisation has very often been undertaken with too little regard for the warnings in the early pro-reform literature. The survey shows that many countries followed the standard advice in some respects—most freed trade and established better fiscal discipline before opening their capital account, for instance; but only a small minority set up a satisfactory system of prudential regulation and supervision before doing so. Careless liberalisation, rather than liberalisation in its own right, has often been the real culprit.

"A Survey of Financial Liberalisation". Princeton Essays in International Finance, No. 211.

考試科目	[illegible]	所別	[illegible]	考試時間	6月12日 第3節	備註

2. (25分)

Expansion of cultivated land diminishes the extent of forestlands or reduces the length of fallow periods and, hence, reduces the amount of natural vegetation. The increase in land under cultivation has a direct output-increasing effect at the cost of reducing natural capital and agricultural productivity. The evidence for western Côte d'Ivoire is consistent with, and provides an explanation for, the declining agricultural productivity observed in Sub-Saharan Africa during the past few decades.

fallow：休耕(地)

上面這段文字所提到的和下列事實有關：

"Farmers in an area of Western Côte d'Ivoire have overexploited the natural resources (forests and natural vegetation in fallows) through excessive cultivation of communal lands and hence the reduction of fallows and forest areas."

Explain

(1) Why people tend to use common resources too much.

(2) Can the problem be solved through government intervention?

考試科目 Course	英文	系級	國際貿易	日期 Date, Period	6 月 10 日 第 3 節	試題編號 Course No.	

3. 敘述你對以下這篇文章的看法 (35分)

ECONOMICS FOCUS

GOVERNMENTS are forever extolling the virtues of labour-market flexibility. Reformed left-of-centre parties, with Britain's Labour in the vanguard, are especially keen. Well, they say they are. But then they go and do things (as in Britain) such as proposing a statutory minimum wage, or bringing forward an employment relations bill that will introduce, among other things, a right to parental leave, new union privileges, higher compensation for unfair dismissal and so on. These politicians get the best of both worlds. Speeches about the need for flexibility sound modern and technocratic, whereas measures to restrict flexibility (sorry, to treat workers more fairly) are popular with voters—and, as governments evidently suppose, do little harm.

Until recently, that position would have been difficult to attack, except on grounds of honesty in government. The literature on labour-market flexibility and jobs is surprisingly thin.

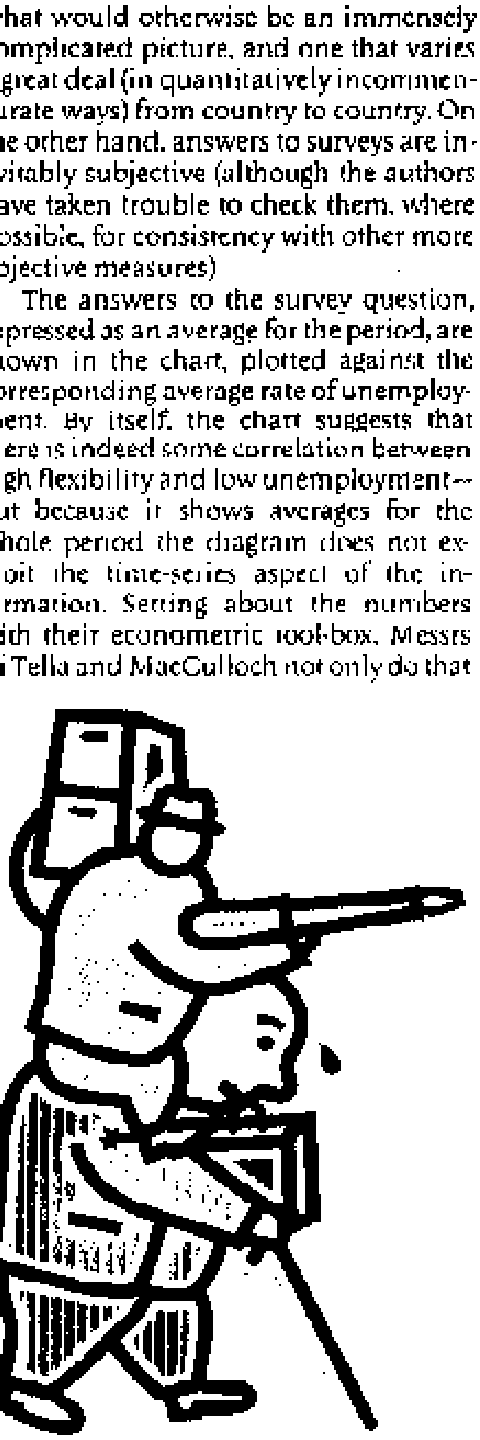
In 1994 the OECD Jobs Study reported a cross country comparison which suggested that flexibility was a good thing, but it used data for just a single year. A more recent paper by Edward Lazear of Stanford University drew on observations over time as well as across countries, but it used severance pay and months of advance notice of dismissal to gauge "flexibility", which is unsatisfactory; also, the results were statistically fragile. A review essay in 1997 by Paul Gregg and Alan Manning of the London School of Economics concluded that economists' "faith in the merits of labour-market deregulation is misplaced."

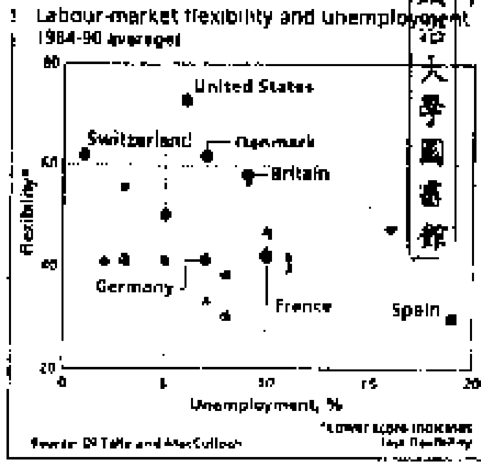
A new paper by Rafael Di Tella of Harvard University and Robert MacCulloch of the University of Bonn should help to restore the faith—and to persuade well-meaning governments that their kindly gestures carry a real cost in jobs and incomes. The study tracks 21 countries over seven years to 1990. Its novelty is the use of surveys to measure flexibility.

During those seven years the compilers of the annual *World Competitiveness Report* (published in those days by the World Economic Forum and the International Institute for Management Development) asked between 1,000 and 2,000 businesses in various countries to gauge the "flexibility of enterprises to adjust job-security and compensation standards to economic realities; zero equals none at all, 100 equals a great deal".

One advantage of this source is that businessmen are the right people to ask: they ought to know, if anyone does, how far job-security rules and so on impinge on their freedom of action. Another benefit is that a single number summarises what would otherwise be an immensely complicated picture, and one that varies a great deal (in quantitatively incommensurate ways) from country to country. On the other hand, answers to surveys are inevitably subjective (although the authors have taken trouble to check them, where possible, for consistency with other more objective measures).

The answers to the survey question, expressed as an average for the period, are shown in the chart, plotted against the corresponding average rate of unemployment. By itself, the chart suggests that there is indeed some correlation between high flexibility and low unemployment—but because it shows averages for the whole period the diagram does not exploit the time-series aspect of the information. Setting about the numbers with their econometric tool-box, Messrs Di Tella and MacCulloch not only do that





but also control for everything they can think of, check for assorted biases and distortions, and consider different models of underlying economic behaviour. However they wring the data, broadly similar answers emerge.

First, they conclude, labour-market flexibility does increase employment. The numbers say that if the French labour market had been as flexible as America's during those years, its rate of employment would have been between 1.6 and 4.4 percentage points higher—equivalent to between 14% and 38% of the difference between their actual rates. This rise in employment translates into higher output, and hence into higher GDP per head.

Unemployment, as opposed to employment, is a bit more complicated. Flexibility, it appears, increases participation in the labour force as well as the number of people in work: unemployment will fall only if the rise in participation is less than the rise in the number at work. A straightforward regression finds that flexibility does in fact reduce unemployment. Again, if France had been as flexible as America, its unemployment rate would have been 1.7 percentage points lower (equivalent to roughly half the gap that then existed). The authors speculate that flexibility may affect unemployment with a lag, and find some evidence for this. They also find evidence that flexibility is associated with lower rates of unfilled vacancies and with lower persistence of unemployment over time.

In short, what politicians say about labour-market flexibility appears to be true. Remarkable. Now they can start acting as though they believed it.

The paper by Rafael Di Tella and Robert MacCulloch, as yet unpublished, can be obtained from Mr Di Tella at rditella@hbs.edu. Edward Lazear's article, "Job Security Provisions and Employment", was in *Quarterly Journal of Economics* in August 1990. The essay by Paul Gregg and Alan Manning is in "Unemployment Policy" edited by Dennis Snower and Guillermo de la Dehesa, Cambridge University Press, 1997.