

2021_DSE_ECONOMICS_Mock Paper I (ANS)

1. A	2. D	3. D	4. C	5. A
6. D	7. C	8. A	9. B	10. A
11. D	12. C	13. C	14. D	15. B
16. C	17. B	18. A	19. B	20. B
21. D	22. A	23. B	24. C	25. A
26. D	27. C	28. D	29. A	30. B
31. D	32. A	33. A	34. C	35. D
36. B	37. C	38. A	39. D	40. B
41. A	42. C	43. C	44. B	45. B

A:12

B:11

C:11

D:11

1. (a) Yes. (1 mark)
 Because the lateness of Sam only reduce the value of having a Easter party (Chosen option), but does not affect the value of attending a service in a church (Highest valued option forgone) (1 mark)

(b) No. (1 mark)
 Her girlfriend is satisfied for his self-made eggs will raise the value of the third option. (1 mark)
 If its value exceed the value of the attending a service in a church (Highest valued option forgone), his order of preference will change. Then, the opportunity cost of having a Easter party with friends at home may change. (1 mark)

2. Yes. (1 mark)
 It involves current production. (1 mark)
 It represents the value of services provided by the Hong Kong Examinations and Assessment Authority which are resident producing units of Hong Kong. (1 mark)

3. The law states that when more units of a variable factor are added successively to a given quantity of fixed factors, holding technology constant, the marginal product of this factor will eventually diminish. (3 marks)
 Yes. (1 mark)

Quantity of labour on leave (units)	Labour (units)	Marginal product (units)
5	3	/
4	4	30
3	5	50
2	6	40
1	7	30

(1 mark)

When the 6th unit of labour (2nd unit of labour is on leave) is added to the machinery, the marginal product eventually decrease from 50 units to 40 units (1 mark)

4. Training allows the low-skilled workers to learn new skills. (1 mark)
 It provides the same chance for the low skilled workers to use their own abilities to earn higher income, which helps to equalize opportunities. (1 mark)
 It can reduce the income inequality. (1 mark)

5. (a) Positive externality / divergence between private and social benefits (1 mark)
 The expansion of the Three Runway can lower the aircraft emission which beneficial to the environment/ residents nearby (external benefit exist), and the Hong Kong Airport Authority does not receive any compensation (1 mark)
 So marginal social benefit is greater than marginal social cost, the numbers of aircraft using the system is lower than the efficiency level. (1 mark)
- (b) The Hong Kong Airport Authority may ask for the compensation. (1 mark)
 The marginal private benefit increase, thus the divergence between marginal social benefit and marginal social cost is narrowed. Inefficiency may be relieved by market. (1 mark)
6. (a) (i)
 - Improves the work incentive of the the delivery driver. (1 mark)
 - Possibility of getting higher income with more effort/better service (1 mark)
[Mark the FIRST point only]
- (ii)
 - Cost of calculating wages is higher. (1 mark)
 - Cost of monitoring the service quality of deliver driver is higher. (1 mark)
[Mark the FIRST point only]
- (b) No (1 mark)
 Law of demand: When the price of a good rises, its quantity demanded will decrease, and vice versa, ceteris paribus. (1 mark)
 When a fixed amount of delivery fee is added to each order, the relative price of higher-priced product (in terms of lower-priced product) will drop. (1 mark)
 According to the law of demand, people will buy **relatively** more higher-priced product.
 The ratio of lower-priced product to higher-priced product will decrease. (1 mark)
7. (a) In Country A, the opportunity cost of producing 1 unit of watches = $10 / 40 = 0.25$ units of toys (1 mark)
 In Country B, the opportunity cost of producing 1 unit of watches = $15 / 30 = 0.5$ units of toys (1 mark)
- (b) If each country specializes in producing the good in which the country has a lower opportunity cost, the total output will increase. (2 marks)
 Country A will export watches because it has lower opportunity cost (i.e. comparative advantage) in producing watches. (1 mark)

- (c) There will be no mutually beneficial gain from trade when the transportation cost per unit of watches is larger than or equal to the total gain of trade per unit of watches.

(1 mark)

Minimum transportation cost = $0.5 - 0.25 = 0.25$ unit of cars.

(2 marks)

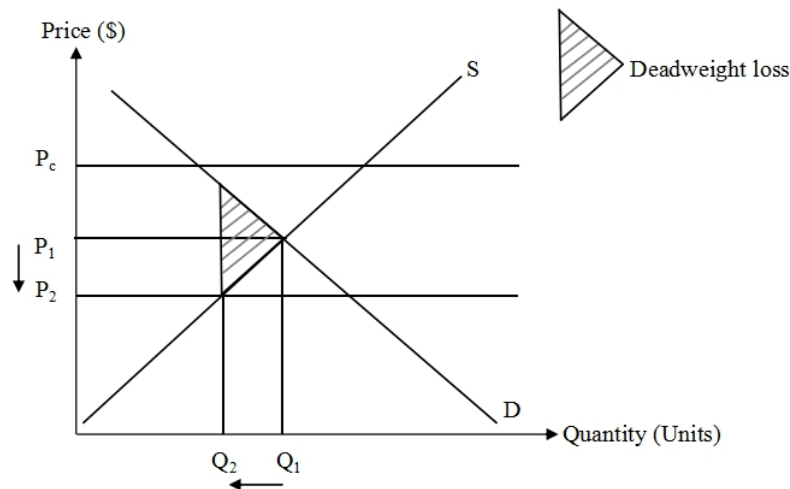
8. (a) Verbal elaboration:

- Yes (1 mark)
- The maximum rent control on rental flats at P_c is ineffective as the rent is set above the equilibrium price. (1 mark)
- After lower the effective rent control, at the new quantity, the marginal benefit (MB) is larger than the marginal cost (MC). Total social surplus is not maximized. (1 mark)
- Deadweight loss existed. It may worsen inefficiency. (1 mark)

Indicate in the diagram:

- Correct $P_1 Q_1$ (Equilibrium) (1 mark)
- Correct $P_2 Q_2$ (1 mark)
- Correct position of deadweight loss (1 mark)

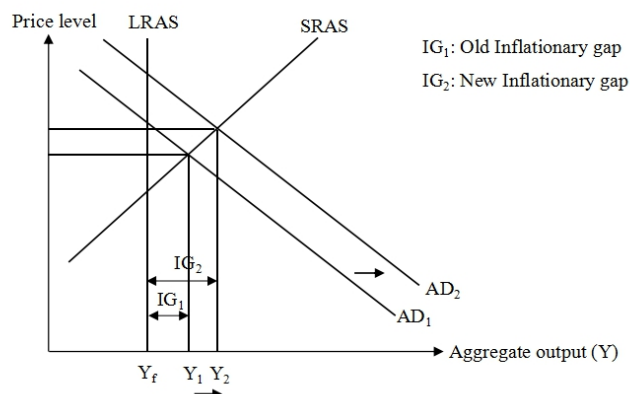
@1 max: 6



- (b) When the maximum rent control is lowered, the maximum rental price the property owner charged is limited. (1 mark)

The private property rights over the rental flats may be weakened as the exclusive right to receive income by the property owner is confined. (1 mark)

9. (a) Old min.r: $400/1600 = 25\%$
 New min.r: $25\% - 15\% = 10\%$
 Change in money supply: Change in cash held by public + Change in deposits (1 mark)
 Change in cash held by the public: $500m - 500m = \$0m$
 Change in deposits : $(400m \times 1/0.1) - 1600m = \$2400m$ (1 mark)
 Change in money supply: $\$0m + \$2400m = \$2400m$ (1 mark)
- (b) - There is no cash leakage. (1 mark)
 - There is sufficient demand for bank loans. (1 mark)
 - Banks don't hold excess reserve. (1 mark)
[Mark the FIRST point only]
- (c) A decrease in the minimum reserve ratio
 - will lead to bank gaining reserve / The actual reserve is greater than the required reserve (1 mark)
 - Bank will lend out the excess reserves. (1 mark)
 - The amount of money (bank loans) will be re-deposited into the banking system. (1 mark)
 -The process will go on and on until there are no excess reserves. (i.e. the actual reserves are equal to the required reserves). (1 mark)
 [* This 4th mark will be awarded only if the first three marks are already rewarded. *]
- (d) Verbal elaboration:
 - decrease in the minimum reserve ratio increases money supply (1 mark)
 - Resulting in a drop in the interest rate. (1 mark)
 - Consumption & Investment expenditure increases and aggregate demand increases. (1 mark)
 - Widening the inflationary gap (1 mark)
- Indicate in the diagram:
 - Correct initial inflationary gap (1 mark)
 - AD shift rightward (1 mark)
 - Correct new Y with a larger gap (1 mark)



10. (a) Only four guests will be allowed in each hotel or guest room (restrict gatherings and strengthen infection controls) --> Decrease in demand (1 mark)
 Hotel operators strictly implemented the rules and bought many latest disinfection equipment --> Decrease in supply (1 mark)
 The magnitude of decrease in supply is larger than the decrease in demand (2 marks)
- (b) - Market information is imperfect (e.g. customers do not know the price or the quality of services of each hotels agents) (2 marks)
 - Seller provides heterogeneous services (e.g. different service quality) (2 marks)
 - Sellers engage in price competition. (e.g. not the same price for the same package/ provide discounts to different customers) (2 marks)
 - Sellers engage in non-price competition (e.g. advertising) (2 marks)
- [Mark the FIRST TWO point only]**
- (ci) Hotel accommodation tax is an indirect tax. Re-imposition of hotel accommodation tax will increase the indirect tax revenue. (1 mark)
 Ratio of direct to indirect tax revenue will decrease in Hong Kong. (1 mark)
- (cii) Regressive tax. (1 mark)
 Higher-income earners pay a less than proportionate amount of tax / the tax rate decreases as the income increases. (2 marks)
- (ciii) - Certainty: the details of the tax collection and payment should be clearly defined and made clear to the taxpayers. (2 marks)
 - Convenience: The method of collecting taxes should be convenient to both the government and the taxpayers. (2 marks)
 - Economy: the administrative costs of tax collection should be as low as possible. (2 marks)
- [Mark the FIRST point only]**
11. (a) Unemployment rate = number of unemployed ÷ labour force × 100% (1 mark)
 Unemployed population remain unchanged (1 mark)
 Labour force decrease (1 mark)
 Unemployment rate will increase (1 mark)
- (b) It increases the geographical mobility of labour in Hong Kong (1 mark)
 Under the scheme, youth workers from Hong Kong can work in the cities in Mainland more easily. (1 mark)
 Workers are more willing to travel to other places for work. (1 mark)
- (ci) Under the linked exchange rate system, RMB also appreciate against HKD (1 mark)
 Thus, the import price (in terms of Hong Kong dollar) increase (1 mark)

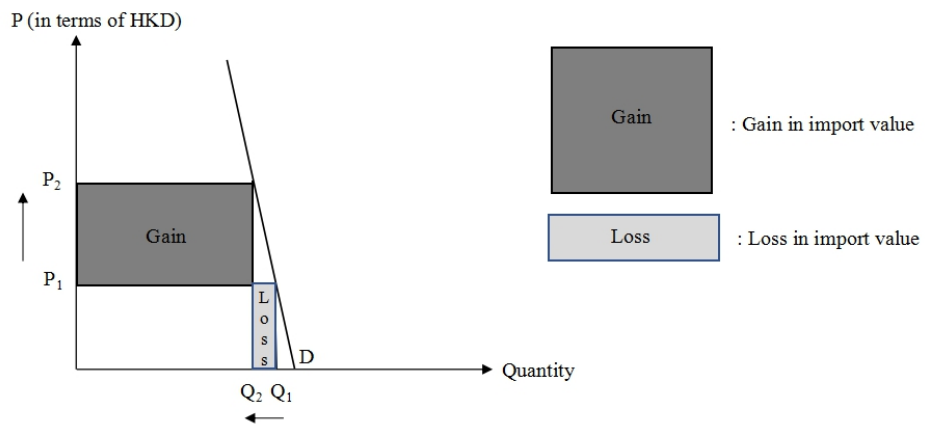
(cii) Verbal elaboration:

- the increase in import price (in terms of HKD), the quantity of imported electronic equipment decreased (1 mark)
- If demand is inelastic, (1 mark)
- % increase in import price > % decrease in import quantity (1 mark)

Indicate in the diagram:

- Price increase and quantity decrease along a demand curve (1 mark)
- Correct position of 'gain in import value' and 'loss in import value' (1 mark)
- Area of 'gain in import value' > Area of 'loss in import value' (1 mark)

@1 max: 5



(d) Marks award for effective communication (EC: max 2 marks)

Marks	Performance
2	<ul style="list-style-type: none">● Supports arguments with the source/data and appropriate economic theories.● Presents relevant material.● Presents well-organised and coherent answers without repetition of ideas.● Uses language that expresses ideas clearly and fluently with appropriate use of words/terms/symbols.
1	<ul style="list-style-type: none">● Presents arguments with some support of the source/data and economic theories.● Present some irrelevant material.● Presents answers in a less organised way with some repetition.● Uses language that conveys a clear message with some inappropriate use of words/terms/symbols
0	<ul style="list-style-type: none">● Presents arguments with no support of the source/data and economic theories.● Present material unrelated to the gist of the question.● Presents inconsistent arguments.● Express limited ideas with inappropriate use of words/terms/symbols

The maximum marks for content is 12 marks. Answers may include the following:

Current account balance:

There are more integration with other cities in Greater Bay Area cities can attract more tourists visiting Hong Kong, the export of services will increase. The invisible trade balance will improve which would enlarge HK's current account surplus (or reduce its deficit).

At the same time, the completion and operation of Liantang port allow both passengers and vehicles linking city to and from Hong Kong or other cities in Greater Bay Area, import of goods and services will also increase. It would reduce HK's current account surplus (or enlarge its deficit) .

The effect of current account balance is uncertain, depending on the increase in the value of exports of goods and services and increase in the value of imports of goods and services.

Potential output:

- The imposition of youth employment scheme will reduce the quantity of labour in Hong Kong while the completion of Liantang port will increase the capital in Hong Kong. The effect potential output is uncertain, depending on the decrease in labour and increase in capital.

Labour shortage:

When more graduates would decide to work in the cities in Mainland because of the better prospect in working in Mainland, it would increase the opportunity cost in working in Hong Kong. They are more willing to work in Mainland. Labour force/supply decrease, the employers is much more difficult to hire the workers, the existing labour shortage would become much more serious.

Effect on other variables:

Fiscal balance: The government expenditure will increase. The expansionary effect caused by the increase in investment may increase the aggregate output level, which increase the tax revenue of the government.

Less quantity of labor in Hong Kong reduce the salaries tax revenue, which worsen the fiscal balance.

- (e) - Importation of foreign labor (2 marks)
- Provide childcare services to attract housewife (2 marks)
- Reduce the salaries tax rate to attract non-labor force (2 marks)

[Mark the FIRST point only]

- 1.
- (a) 會 (1 分)
 因為俊森的遲到只會降低參加在朋友家舉行的復活節派對的價值（已選擇項目）
 而不會影響到參加教會崇拜聚會的價值（價值最高的放棄項目） (1 分)
- (b) 不會 (1 分)
 俊森女朋友很喜歡他製作的復活蛋會提高第三選擇的價值 (1 分)
 若其價值超過參加教堂禮拜的價值（價值最高的放棄項目），他的優先順序將會改變。然後，參加在朋友家舉行的復活節派對的機會成本可能會改變。 (1 分)
2. 應該 (1 分)
 它涉及當前的生產。 (1 分)
 這代表香港考試和及評核局所提供服務的價值，是香港的本地生產單位。 (1 分)
3. 該定律指出（假設科技不變），當愈來愈多的可變要素不斷加到一定額的固定要素，該要素的邊際產出最終會下降。 (3 分)
 能夠。 (1 分)

休假的勞力數量(單位)	機器(單位)	總產量的下降(單位)
5	3	/
4	4	30
3	5	50
2	6	40
1	7	30

(1 分)

當第 6 單位勞力（第 2 單位勞力休假）加進到機器時，邊際產量最終從 50 單位減少至 40 單位。 (1 分)

4. 培訓可以使低技術勞工學習新技能。 (1 分)
 為低技術勞工透過利用自己能力來賺取更高收入的機會，這促使機會均等化。 (1 分)
 最終能減少收入不均。 (1 分)

- 5.
- (a) 正面界外效應/私人利益與社會利益出現分歧 (1 分)
擴建第三條跑道能減少飛機排放量降低有利環境/附近居民，而香港機場管理局沒有獲得任何賠償（存在外部利益） (1 分)
因此，邊際社會利益大於邊際社會成本，使用該系統的飛機數量低於效率水平。 (1 分)
- (b) 香港機場管理局可要求賠償。 (1 分)
邊際私人利益增加，因此邊際社會利益與邊際社會成本之間的分歧收窄。無效率會改善。 (1 分)
- 6.
- (a) (i)
- 提高送貨司機的工作誘因。 (1 分)
- 透過付出更多努力/更好的服務可能獲得更高的收入 (1 分)
[只批閱首項，1 分]
- (ii)
- 計算送貨司機工資的成本較高 (1 分)
- 監控送貨司機服務質素的成本較高 (1 分)
[只批閱首項，1 分]
- (b) 不同意 (1 分)
需求定律：當某物品的價格上升，該物品的需求量下跌，反之亦然，其他因素維持不變。 (1 分)
每筆訂單需收取相同金額的固定送貨費用，高價格產品的相對價格（以低價格產品計算）下降。 (1 分)
需求定律意味著，人們會**相對上**購買更多高價格產品，所以低價格產品相對高價格產品的比例會下降。 (1 分)
- 7.
- (a) 甲國生產 1 單位手錶的機會成本是= $10 / 40 = 0.25$ 單位玩具 (1 分)
乙國生產 1 單位手錶的機會成本是= $15 / 30 = 0.5$ 單位玩具 (1 分)
- (b) 若每國專門生產機會成本較低的物品，各國的總產出會上升。 (2 分)
甲國會出口手錶。因為它在生產手錶時具有較低的機會成本（即比較優勢） (1 分)
- (c) 當一單位手錶的運輸成本大於或等於一單位手錶的貿易得益總和，兩國皆無法從貿易中得益。 (1 分)
最低運輸成本= $0.5 - 0.25 = 0.25$ 單位汽車 (2 分)

8.

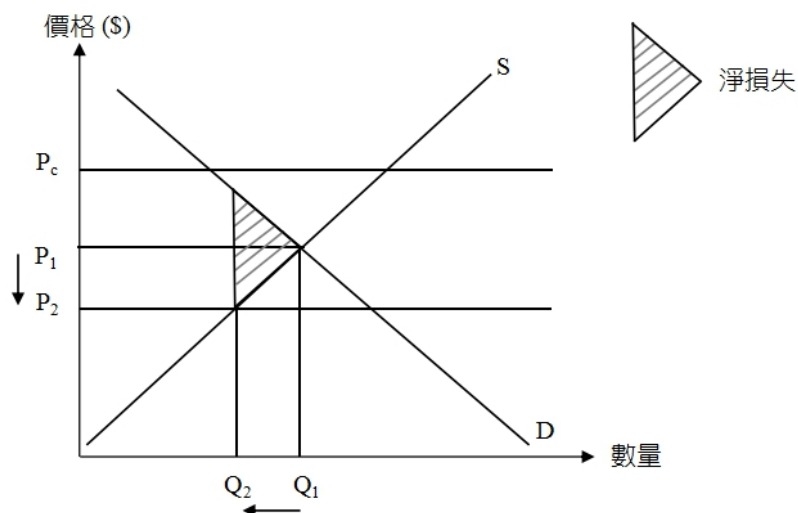
(a) 文字解釋:

- 是 (1 分)
- 由於租金上限 P_c 設高於均衡價格，因此此租金上限無效。 (1 分)
- 降低有效租金上限後，在新的產量，邊際利益大於邊際成本，總社會盈餘未極大化 (1 分)
- 出現了淨損失。這可能會降低經濟效率。 (1 分)

在圖上顯示:

- 正確的 $P_1 Q_1$ (均衡) (1 分)
- 正確的 $P_2 Q_2$ (1 分)
- 效率損失 (DL) 的正確位置 (1 分)

@1 最高: 6



- (b) 有效的租金上限降低時，限制了業主收取的最高租金價格 (1 分)
因為業主的收入專屬權受到限制，私有產權可能會被削弱 (1 分)

9.

- (a) 舊最低儲備比率: $400/1600 = 25\%$
新最低儲備比率: $25\% - 15\% = 10\%$
貨幣供應的改變: 公眾持有現金的改變+存款的改變 (1 分)
公眾持有現金的改變: $500 - 500 = \$0$ 百萬元
存款的改變: $(400 \times 1/0.1) - 1600m = \2400 百萬元 (1 分)
貨幣供應的改變: $\$0$ 百萬元 + $\$2400$ 百萬元 = $\$2400$ 百萬元 (1 分)

- (b) - 沒有現金流失 (1 分)
- 有足夠的銀行貸款需求 (1 分)
- 銀行不持有超額儲備 (1 分)

[只批閱首項，1 分]

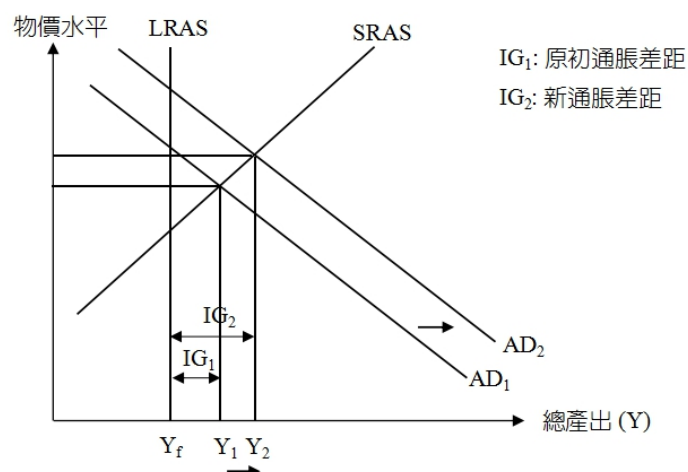
- (c) 最低儲備比率下降會令銀行儲備增加。 (1 分)
 銀行會借出超額儲備。 (1 分)
 該金額（銀行的放款）會再被存入銀行系統 (1 分)
 上述過程會一直持續，直至沒有超額儲備（即實際儲備等於法定儲備）。 (1 分)

[*只有當考生獲取首 3 分後才考慮給予第 4 分。]

- (d) 文字解釋:
- 最低儲備比率下降會增加貨幣供應 (1 分)
 - 令利率下降 (1 分)
 - 消費及投資支出上升，總需求會上升 (1 分)
 - 通脹（產出）差距會擴大 (1 分)

在圖上顯示:

- 正確的原初通脹差距 (1 分)
- 總需求曲線向右移 (1 分)
- 正確的新 Y，通脹差距擴大 (1 分)



- 10.
- (a) 每間客房只可容納四位客人(收緊酒店「宅度假」的規定) --> 需求減少 (1 分)
 酒店經營者嚴格執行防疫規定並購買更多新的消毒設備 --> 供應減少 (1 分)
 供應減少的幅度大於需求減少的幅度，酒店租住價格可能會上升 (2 分)
- (b) - 市場資訊並不完全 (e.g. 有關酒店代理服務的資訊) (2 分)
 - 賣家提供異質服務 (e.g. 不同的服務質素) (2 分)
 - 賣家進行價格競爭 (e.g. 同一服務的價格不一樣/為不同的顧客提供折扣) (2 分)
 - 賣家進行非價格競爭 (e.g. 廣告) (2 分)
- [只批閱首兩項，2 分]**
- (ci) 酒店房租稅屬間接稅，重新徵收酒店房租稅會增加間接稅收入。 (1 分)
 香港直接稅與間接稅的比率會下降 (1 分)

- (cii) 累退稅。 (1 分)
 高收入者比低收入者繳納的稅款少 / 稅率隨收入增加而降低。 (2 分)
- (ciii) 明確：應明確定義稅收的收繳細節，並向納稅人明確說明。 (2 分)
 方便：收稅方法對政府和納稅人均應方便。 (2 分)
 經濟：徵稅的行政成本應盡可能調低。 (2 分)

[只批閱首項，1 分]

11.

- (a) 失業率 = 失業人口 ÷ 勞動人口 × 100% (1 分)
 失業人口維持不變 (1 分)
 勞動人口下降 (1 分)
 因此失業率會上升 (1 分)
- (bi) 香港勞工的地域流動性會上升 (1 分)
 該計劃下，香港的青年勞工可以更容易在內地城市工作 (1 分)
 工人較願意到其他地區工作。 (1 分)
- (ci) 在聯繫匯率制度下，人民幣兌港元升值 (1 分)
 這令從中國輸入電子設備的進口價格（以港元計算）上升 (1 分)

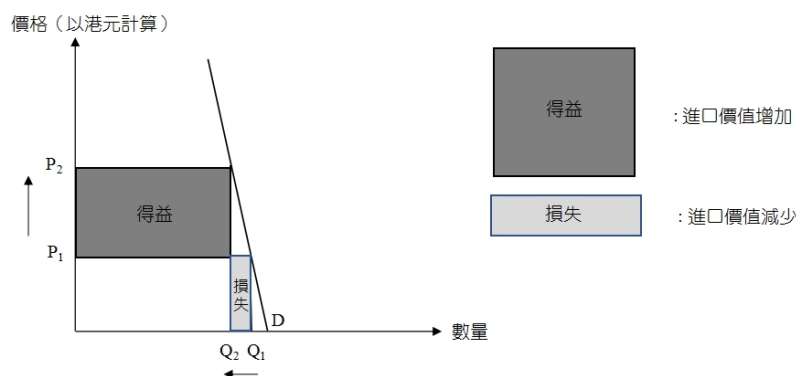
(cii) 文字解釋:

- 進口價格（以港元計算）上升，根據需求定律，香港消費者的進口需求量下降，電子設備的進口量減少 (1 分)
- 若進口需求屬低彈性 (1 分)
- 進口價格上升的百分比 > 進口量減少的百分比，總支出則會減少 (1 分)

在圖上顯示:

- 沿同一需求線，價格下降，交易量增加 (1 分)
- 正確的進口價值增加及減少 (1 分)
- 進口價值增加的面積 > 進口價值減少的面積 (1 分)

@1 最高: 5



(d) 有效傳意評分 (EC: 最高 2 分)

分數	表現
2	<ul style="list-style-type: none">● 運用資料/數據及適當的經濟理論支持論點。● 答案切合題旨。● 能以清晰流暢的語文表達意思，並恰當地使用術語或符號。● 答案組織良好，並且前後連貫一致，概念沒有重複。
1	<ul style="list-style-type: none">● 從一些資料/數據和經濟理論支持論點。● 部分答案並不切題。● 能運用語文清晰地傳遞訊息，但間中用詞不當/誤用術語或符號。● 答案組織一般，有些概念重複。
0	<ul style="list-style-type: none">● 沒有以資料/數據和經濟理論支持論點。● 答案無關題旨。● 表達有限的意思，有用詞不當/誤用術語或符號的情況。● 答案組織鬆散欠連貫。

內容最高 12 分。答案可以包括下列各點：

經常帳的差額:

香港與大灣區內其他地區有更多融合和發展時，可吸引更多遊客到香港旅遊，服務出口會增加，改善無形貿易差額。這擴大香港的經常賬盈餘（或減少其赤字）

同時，蓮塘口岸完工和營運使旅客和車輛都可以往返於香港或大灣區其他城市，貨物和服務的進口會增加。這減少香港的經常賬盈餘（或擴大其赤字）。

經常賬差額的影響是不確定的，取決於貨物和服務出口值的增加以及貨物和服務進口值的增加。

潛在產出:

啟動大灣區青年就業計劃後減少香港的勞力數量，而蓮塘口岸完工增加香港的資本。潛在產出的影響是不確定的，取決於勞力數量減少和資本增加的幅度。

勞工短缺:

更多畢業生因當地工作前景較好，決定到內地城市工作，這會增加在香港工作的機會成本。他們更願意在內地工作，勞力數量/勞力供應減少，僱主很難僱用工人，現時的勞力短缺問題變得更加嚴重。

其他因素:

財政平衡: 政府支出會增加。投資增加引起的擴張效應可能會提高總產出水平，從而增加政府的稅收收入。

香港的勞力數量減少會減少政府薪俸稅收入，使財政平衡惡化。

(e)

- 輸入外勞

(2 分)

- 提供育兒服務以吸引家庭主婦

(2 分)

- 降低薪俸稅率以吸引非勞動力

(2 分)

[只批閱首項，2 分]