

THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY  
**ECON 3123 Final Exam (Answer Book)**

Date: Dec 10, 2025

Time allowed: 120 minutes

**Not to be taken away.**

**Instructions:**

- Answer ALL the questions. Write your answers on the answer book. Anything written on the question book will NOT be graded.
- Write your answer to all the questions within the provided area. **Anything outside the provided area will NOT be graded.**
- Make sure that all your handwritngs are legible. Anything that cannot be understood by the grader will not be graded.
- Please submit BOTH the question book and the answer book after the exam.

**DO NOT OPEN UNTIL INSTRUCTED!**

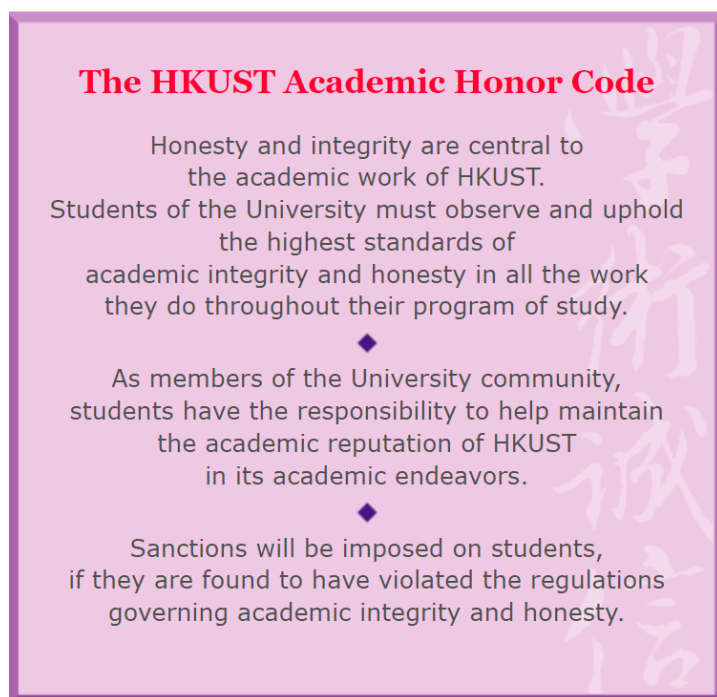
**Name:**

**Student ID:**

**Seat Number:**

**You MUST sign the following HKUST Honor Code.**

**Otherwise, your exam will NOT be graded.**



**Your Signature:**

**Multiple Choice Questions (20 points)**

1	2	3	4	5

**Question 6 (15 points)**

(1) (5 points)

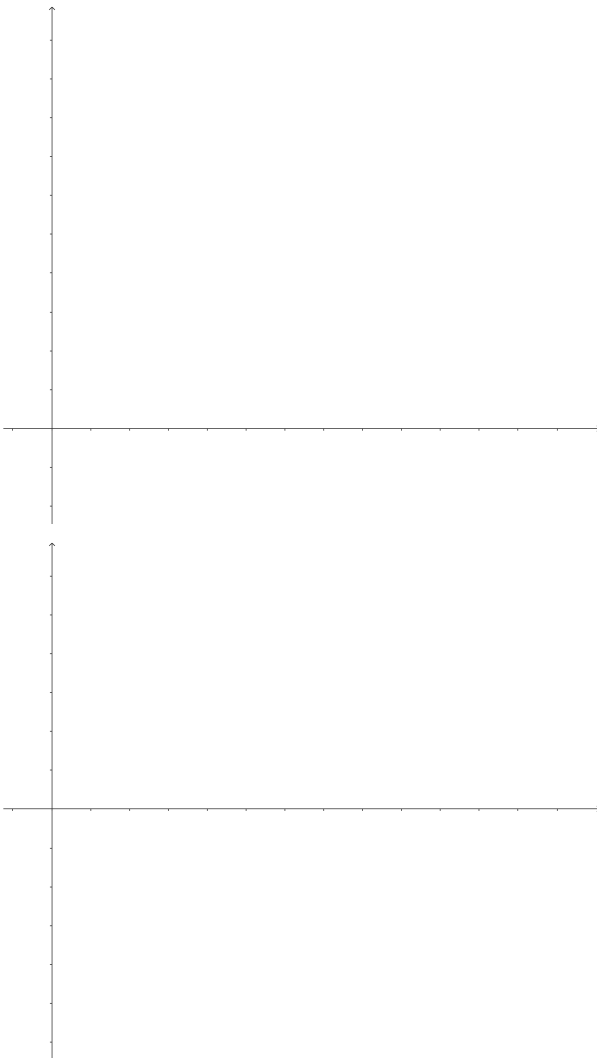
Question 6 (15 points, Continued)

(2) (5 points)

(3) (5 points)

**Question 7 (35 points)**

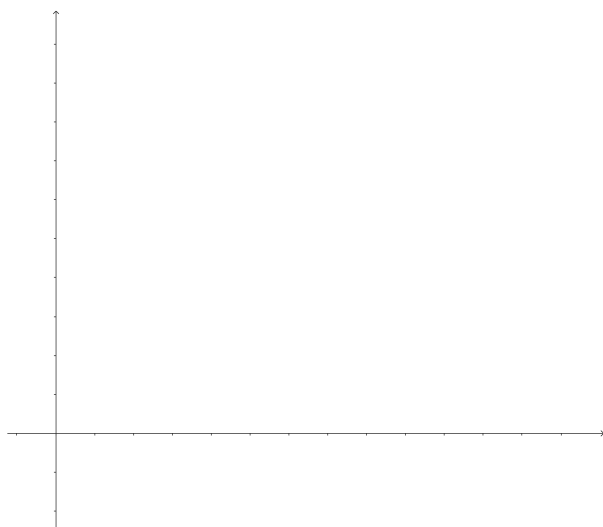
(1) (5 points) and (3) (10 points)



Effects:

## Question 7 (35 points, Continued)

(2) (10 points)



Effects:

(4) (10 points) Circle the correct one and write one-sentence explanation.

Inflation (increases / decreases / remains unchanged / is uncertain).

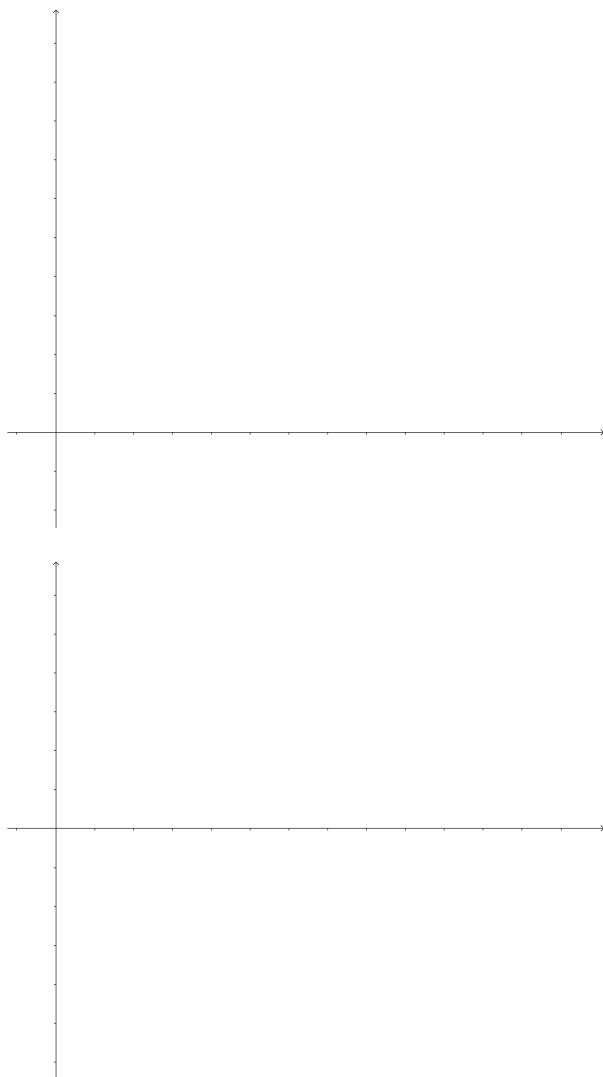
Explanation:

Output (increases / decreases / remains unchanged / is uncertain).

Explanation:

### Question 8 (30 points)

(1) (5 points) and (2) (10 points)

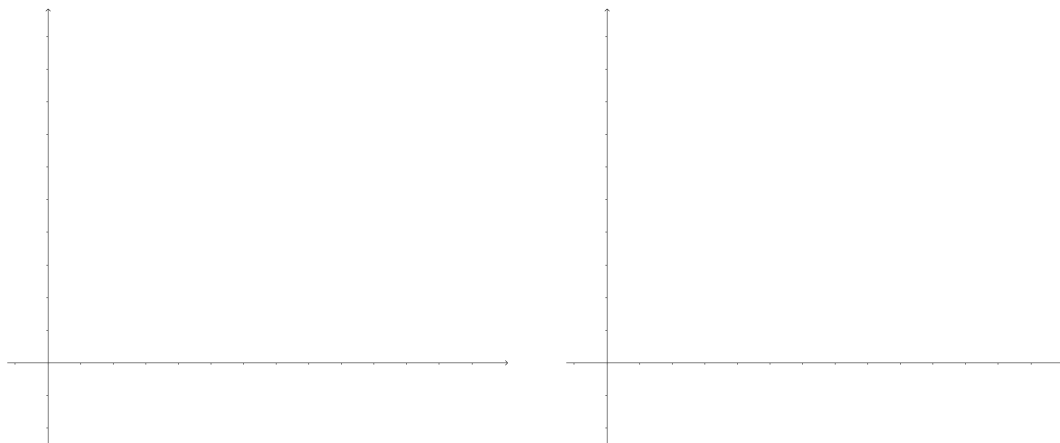


Policy mix:

Explanation:

### Question 8 (30 points, Continued)

(3) (15 points) Circle the correct one and write one-sentence explanation.



Monetary policy:

Consumption (increases / decreases / remains unchanged / is uncertain).

Explanation:

Investment (increases / decreases / remains unchanged / is uncertain).

Explanation:

Net export (increases / decreases / remains unchanged / is uncertain).

Explanation:

**\*\*\*\*\* END OF THE EXAM \*\*\*\*\***