

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS  
RESIT/SPECIAL EXAMINATION**

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF ECONOMICS**

**ECON 445: ENVIRONMENTAL ECONOMICS**

**STREAMS: ECON**

**TIME: 2 HOURS**

**DAY/DATE: MONDAY 01/11/2021**

**2.30 P.M – 4.30 P.M.**

**QUESTION ONE (30MKS)**

- a. Distinguish between the following pair of terms as used in environmental economics. (8 marks)
  - i. Weak sustainability and strong sustainability
  - ii. Public goods and externalities
  - iii. Resource endowment and sustainable development
  - iv. Renewable and non-renewable resource
- b. Using relevant examples, discuss the relationship between the environment and economic growth. (8 marks)
- c. Discuss the criteria of choosing the best environmental policies. (4 marks)
- d. With aid of well labeled diagram(s), discuss the concept of Trade-off between Economic Goods and Environmental quality in a natural environment. (10 marks)

**QUESTION TWO (20MKS)**

- a. Discuss the major non market valuation techniques of environmental resources and highlight at least one disadvantages for each. (10 marks)
- b. An environment can have both positive and negative externalities. Discuss five positive Externalities that can be experienced in this environment. (10 marks)

**QUESTION THREE (20MKS)**

- a. Discuss various types of pollutants in a natural environment. (10 marks)
- b. Discuss the criteria of choosing the best environmental policies. (5 marks)
- c. Discuss 5 policies that can be used by the government to curb pollution. (5 marks)

**QUESTION FOUR (20MKS)**

- a. Using the concept of assimilative capacity of the natural environment, discuss the optimal level of pollution. (10 marks)
- b. Explain reasons why international environmental conservation policies usually fail. (10 marks)