

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

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

ENSC 331: ENVIRONMENTAL RESOURCE ECONOMICS

STREAMS: BSC (ECON)

TIME: 2 HOURS

DAY/DATE: TUESDAY 03/12/2019

2.30 PM – 4.30 PM

INSTRUCTIONS:

- **Answer Question ONE and any other TWO Questions**
- **Do not write on the question paper**

QUESTION ONE

1. (i) Write short notes on the following terminologies as used in natural resource economics.

(a)	Public goods	[2 marks]
(b)	Demerit goods	[2 marks]
(c)	Non-excludability trait	[2 marks]
(d)	Transferability	[2 marks]
(e)	Non-rivalry trait	[2 marks]

- (ii) Effective mechanism for revenue management are key instruments for ensuring that natural resources wealth will translate into sustainable economic development reserve. Discuss this statement. [10 marks]

- (iii) By citing relevant examples, explain the key functions and service that Kenyans enjoy from forests. [4 marks]

- (iv) Using relevant examples explain two forms of externalities. [6 marks]

QUESTION TWO

- (i) Natural resource depletion in Kenya is a policy concern issue that require concerted efforts. Critically examine this statement. [10 marks]
- (ii) Multi-stakeholder’s participation process improves the legitimacy of decision making and are more likely to lead to sustainable outcomes. Explain. [10 marks]

QUESTION THREE

- (i) Sustainable economic development encompasses capacity to endure, sustain and maintain the ecological atmosphere through improved biological systems and human behaviors structures. Discuss various ways through which sustainability can be realized. [12 marks]
- (ii) Natural resources have been to be both opportunity and curse for an economy endowed with them. Explain. [8 marks]

QUESTION FOUR

- (i) Define the term market efficiency [2 marks]
 - (ii) Discuss various forms of market efficiency. [10 marks]
 - (iii) Explain major policy issues that surround the use of natural resources. [8 marks]
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