(15)

(*Knowledge for Development*)

KIBABII UNIVERSITY

UNIVERSITY EXAMINATIONS
2016/2017 ACADEMIC YEAR

FOURTH YEAR 1ST SEMESTER
SPECIAL/SUPPLEMENTARY EXAMINATIONS

FOR THE DEGREE OF BACHELOR OF SCIENCE IN AGRICULTURAL ECONOMICS & RESOURCE MANAGEMENT

COURSE CODE: **IAE 400**
COURSE TITLE: **NATURAL RESOURCE MANAGEMENT**

DATE: 4/10/2018 **TIME:** 11:30-1:30pm.

INSTRUCTIONS TO CANDIDATES

Answer Question ONE and any other two (2) Questions.

TIME: 2 Hours

This paper consists of 2 printed pages. Please Turn Over

Q1.

a) Suppose the inverse demand curve function (expressed in Ksh.) of a depletable resource is given as

$$P=40-q$$

$$MC=q$$

Where p=price of the product and q=is the quantity demanded or supplied, MC=Marginal cost

Required

i) How much will be supplied in static allocation efficiency **(5 Marks)**

ii) Would any other allocation be efficient? **(3 marks)**

iii) Proof your answer in (iii) above **(5 marks)**

b) Write short notes on the following concepts as used in natural resource management

i) Externalities **(4 marks)**

ii) Proven reserves **(4 marks)**

iii) Efficiency **(3 marks)**

iv) Optimality **(3 marks)**

v) Marginal user cost **(3 marks)**

Q2.

a) Explain the indicators of resource scarcity **(8 marks)**

b) Explain the regimes of resource property rights in Kenya. **(8 marks)**

c) State any four methods of environmental valuation **(4 marks)**

Q3.

Explain the challenges facing fisheries development in Kenya **(20 marks)**

Q4.

Discuss the approaches of natural resource management in your county **(20 marks)**