



(Knowledge for Development)

KIBABII UNIVERSITY
UNIVERSITY EXAMINATIONS
2017/2018 ACADEMIC YEAR

FOURTH YEAR 2ND SEMESTER
SPECIAL/SUPPLIMENTARY EXAMINATIONS

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

COURSE CODE: IAE 483

COURSE TITLE: ENVIRONMENTAL ECONOMICS

DATE: 8TH OCTOBER 2018

TIME: 8 – 10 AM

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 

KIBU observes ZERO tolerance to examination cheating

Q1.

Case study: Property rights

Property Rights Based Instruments attempt to clarify property rights to (environmental and natural resources) goods and services, with the aim of stimulating efficient management of such resources.

Required

- i) Explain any four property rights instruments used to manage such resource **(12 Marks)**
- ii) Explain the challenges associated with provision of public goods **(8 marks)**
- iii) Explain any four solutions to congestible goods **(8 marks)**
- iv) State any two environmental problems associated with urbanization in Kenya. **(2 marks)**

Q2.

“Environmental degradation is a MUST”. Discuss this statement in relation to environmental economics **(20 marks)**

Q3.

- a) i) With the aid of a well labeled diagram, illustrate how the efficient level of flow pollution is achieved **(6 marks)**
 - ii) Explain why those levels are efficient **(4 marks)**
- b) Explain the market based pollution control policy instruments used in Kenya **(10 marks)**

Q4.

a) Write short notes on the following

- i) Congestible goods **(2 marks)**
- ii) Reservation prices **(2 marks)**
- iii) Environmental conservation **(2 marks)**
- iv) Resource preservation **(2 marks)**
- v) Shadow price **(2 marks)**

b) Using examples, explain any three classifications of environmental pollutants in Bungoma county **(10 marks)**