



*(Knowledge for Development)*

**KIBABII UNIVERSITY**  
**UNIVERSITY EXAMINATIONS**  
**2019/2020 ACADEMIC YEAR**

**FOURTH YEAR 2ND SEMESTER**  
**MAIN EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF SCIENCE AGRICULTURE AND  
BIOTECHNOLOGY & BACHELOR OF SCIENCE AGRICULTURE  
ECONOMICS AND RESOURCE MANAGEMENT**

**COURSE CODE: IAE 400**

**COURSE TITLE: NATURAL RESOURCE MANAGEMENT**

**DATE: 9<sup>TH</sup> NOVEMBER 2020**

**TIME: 2PM - 4PM**

---

**INSTRUCTIONS TO CANDIDATES**

Answer Question ONE and any other TWO Questions.

TIME: 2 Hours

This paper consists of 2 printed pages. Please Turn Over



KIBU observes ZERO tolerance to examination cheating

**QUESTION ONE****30 MARKS**

- (a) Define the following terms as used in natural resource management. **(10 Marks)**
- (i) Natural resources (2marks)
  - (ii) Stock Resources (2 Marks)
  - (iii) Ecosystem Services (2 marks)
  - (iv) Environmental Audit (2marks)
  - (v) Externalities (2marks)
- (b) Discuss five (5) characteristics of renewable natural resources. **(10 marks)**
- (c) Explain the economy - environment interlinkage **(10 Marks)**

**QUESTION TWO****20 MARKS**

- (a) Define the term ecosystem Services. **(2marks)**
- (b) What are the different benefits humankind receive from the ecosystem? **(8 Marks)**
- (c) With the aid of a diagram, discuss the four steps of the ecosystem valuation framework. **(10 Marks)**

**QUESTION THREE****20 MARKS**

- (a) Outline the concept and objectives of EIA in developing countries. **(10 Marks)**
- (b) What are the important steps in carrying out an EIA? **(10 Marks)**

**QUESTION FOUR****20 MARKS**

- (a) Discuss giving examples property rights/regimes in Natural Resource management stating their advantages and challenges?

**QUESTION FIVE****20 MARKS**

Market failure has been cited as a challenge to achieving an efficient allocation of natural resource. Explain the following sources of market failure

- (a) Externalities. **(4marks)**
- (b) Market imperfection **(4 marks)**
- (c) Improper design of property rights **(4 marks)**
- (d) Divergence of social and private discount rates **(4marks)**
- (e) Lack of information and knowledge **(4 marks)**