(Knowledge for Development)

KIBABII UNIVERSITY

UNIVERSITY EXAMINATIONS 2019/2020 ACADEMIC YEAR

FOURTH YEAR 2ND SEMESTER SPECIAL/SUPPLEMENTARY EXAMINATIONS
FOR THE DEGREE OF BACHELOR OF SCIENCE INAGRICULTURAL ECONOMICS & RESOURCE MANAGEMENT

COURSE CODE: IAE 483
COURSE TITLE: ENVIRONMENTAL ECONOMICS
DATE: 10/02/2021.   **TIME:** 8 – 10AM.

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 ▶

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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 based 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 information is necessary but not sufficient". Discuss this statement in relation to environmental economics   **(20 marks)**

Q3.

Partial and general equilbrium.

Given the following assumptions
- Tea and sugar are complements.
- Sugar workers go on strike.
- The government taxes tea farmers.

Required
a) Use general equilibrium analysis to determine what will happen in the sugar and tea markets.

(10 marks)

b) Use partial equilibrium analysis to determine what will happen in the sugar and tea markets

Q4.

Case study: solid waste management

Reference: Afroz, R. and Masud, M.M. (2011). Using a contingent valuation approach for improved solid waste management facility: Evidence from Kuala Lumpur, Malaysia. Journal of waste management, Vol. 31, pp 800-808.

a) One of the problems of urban environment is solid waste management as noted by Afroz and Masud (2011). Explain five major causes of increased solid waste in the city of Kuala Lumpur

(10 marks)

b) Explain the attributes of a good solid waste management plan considered in this study

(10 marks)

Q5.

a) Explain the challenges facing resource economists in Kenya **(12 marks)**

b) Explain any four methods of environmental valuation **(8 marks)**