



1ST SEM. 2012/2013

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UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

**PROGRAMME: B.Sc. in Agricultural Economics and Agribusiness
Management 4**

COURSE CODE: AEM 403

**TITLE OF PAPER: ENVIRONMENTAL AND NATURAL RESOURCE
ECONOMICS**

TIME ALLOWED: TWO (2) HOURS

**INSTRUCTION: 1. ANSWER ALL QUESTIONS
2. EACH QUESTION 25MARKS**

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THE CHIEF INVIGILATOR**

Question 1

A. In environmental valuation, there are stated and revealed preference values. Distinguish between the two values defining the methods under each value. **15 marks**

B. The owners of the upmarket Tubungu Township in Matsapha have rejected the Town Board's proposal to build formal low income houses in the remainder of Tubungu farm, next to the township. As an economist, help justify this decision. **10marks**

25marks

Question 2

A. Natural Resource Economics is the study of nature in its role as provider of raw materials and the flow of natural resource products and services into an economy using the analytical tools of economics. Discuss the classification of these resources. **15 marks**

B. Discuss the steps in Contingent valuation. **10 marks**

25marks

Question 3

A. Property rights are always held subject to social control. Formal controls are in the form of the sovereign power which interpret and implement the will of society. Discuss the five powers government has in directing and controlling the use of land resources. **15 marks**

B. Distinguish between the private and external costs in environmental management. **10 marks**

25marks

Question 4

A. Discuss how the following contribute to environmental problems

a. Policy failure **5marks**

b. Market failure **5marks**

c. Property rights **5marks**

B. Discuss the characteristics of public goods. **10 marks**

25marks