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UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

PROGRAMME: BSc. in Agricultural Economics and Agribusiness
Management Year IV

COURSE CODE: AEM 403

TITLE OF PAPER: ENVIRONMENTAL AND NATURAL RESOURCE ECONOMICS

TIME ALLOWED: 2:00 HOURS

INSTRUCTION: ANSWER ANY FOUR QUESTIONS

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Question 1 [25 marks]

Natural resources are sub-optimally allocated. Using *illuminating* examples, discuss the reasons for this behavior.

Question 2 [25 marks]

Given the data:

Extraction rate (C_0) = 20

Demand growth rate = 20%

Stock = 10 000

- a. Estimate the time to exhaustion for this natural resource originating from vertex (time) $t = 0$. (15 marks)
- b. Identify attributes and typology of this natural resource? (10 marks).

Question 3 [25 marks]

- a. Discuss the conservation strategies known to an environmental and natural resource economist. (16 marks).
- b. Justify the concept of intergenerational equity in light of land resource use. (9 marks).

Question 4 [25 marks]

Indicators of resource scarcity are inconclusive for economists. Illustrate the merits and demerits of these scarcity indicators.

Question 5 [25 marks]

- a) Stock and flow resources are both similar and dissimilar. Explain why this statement is true. (13 marks).
- b) Discuss the basic characteristics of property rights. (12 marks).

END OF PAPER