

1st SEM. 2015//2016



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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]

- a. What is a property right? (5 marks)
- b. Using *illuminating* examples, discuss the different types of property rights. (20 marks)

Question 2 [25 marks]

Given the data:

$X = 10, 20, 50, 80$ and 90 .

$K = 100$ tones

$B = 0.05$

And $H(t)$ equals harvest rate; k equals carrying capacity; and MSY equals maximum sustainable yield.

- a. Plot the values of $H(t)$. (15 marks).
- b. State the stock level that supports the MSY. (5 marks).
- c. Deduce from the observations, to make an economic conclusion. (5 marks).

Question 3 [25 marks]

Discuss the dynamic optimization concept.

Question 4 [25 marks]

- a. Explain in detail why energy efficiency should be promoted. (12 marks).
- b. Government may use energy pricing policies to achieve a number of objectives. Elaborate. (13 marks).

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Question 5 [25 marks]

- a) Discuss the economic indicators of resource scarcity. (15 marks)
- b) Why does the market for natural resources fail? (10 marks)

END OF PAPER