

1st SEM. 2018/2019



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UNIVERSITY OF ESWATINI

RE-SIT/SUPPLEMENTARY EXAMINATION PAPER

PROGRAMME: BSc. in Agricultural Economics and Agribusiness
Management Year 4

COURSE CODE: AEM403/AEM 403

TITLE OF PAPER: ENVIRONMENTAL AND NATURAL RESOURCE ECONOMICS

TIME ALLOWED: TWO (2): HOURS

INSTRUCTION: 1. ANSWER ALL FOUR QUESTIONS
2. EACH QUESTION CARRIES 25 POINTS

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CHIEF INVIGILATOR

Question 1 (25 MARKS)

- a) What is energy efficiency and why should energy efficiency be promoted? **15 MARKS**
- b) Define property rights and discuss the different types of property rights. **10 MARKS**

Question 2 (25 MARKS)

The relationship between the environment and the economy can be portrayed by means of the Material Balance Model. Can you **show and discuss** the relationship between the environment and the economy using the Material Balance Model? **25 MARKS**

Question 3 (25 MARKS)

- a) Distinguish between Current Annual Increment (CAI) and Mean Annual Increment (MAI) **5 MARKS**
- b) In biological point of view what is the optimum harvesting stage of timber? What are the factors that are missed when analyzing the problem in biological point of view? **10 MARKS**
- c) In economists point of view when should trees be cut down? Explain logically. **5 MARKS**
- d) How is the Hartman Model different from the Faustmann model? Explain briefly. **5 MARKS**

Question 4 (25 MARKS)

Ocean fisheries are typically open-access resources so they impose external costs to present and future generations through over exploitation of the fish stock. Discuss public policies that can help minimize/eliminate the ocean fisheries problem(s).

25 MARKS