

1st SEM. 2020/2021



Page 1 of 2

UNIVERSITY OF ESWATINI

FINAL EXAMINATION EXAMINATION PAPER

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

COURSE CODE: AEM403

**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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THE CHIEF INVIGILATOR**

Question 1

- a) Distinguish between the following:
- i. Natural resources and natural resource economics **4 MARKS**
 - ii. Public goods and common property resources **4 MARKS**
 - iii. Private cost, external cost and marginal social cost **7 MARKS**
- b) Is there a difference between market failure and an externality? Discuss. **10 MARKS**

Question 2

- a) Non-market goods may have both use value and non-use value. Distinguish between use benefits and non-use benefits and describe the benefits that are under each of them.
- 25 MARKS**

Question 3

- 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**

Question 4

- a) What is a stock pollutant? **5 MARKS**
- b) What is the optimal allocation of a stock pollutant? **5 MARKS**
- c) Discuss the pollution control policies. **15 MARKS**