

Ollscoil na hÉireann, Gaillimh
National University of Ireland, Galway

Semester II Examinations, 2004/2005

Exam Code(s)	3BA1, 3BA5, 3BA6, 4BA4, 3BC1, 4BC2, 4BC3, 4BC4, 4BC5, EM1, 1OA1
Exam(s)	B.A, B.A. (ESS), B.A. (PSP), (Int'l), B. Comm. B. Comm. (language), Erasmus, Occassional
Module Code(s)	EC388
Module(s)	Environmental and Natural Resource Economics
Paper No.	I
Repeat Paper	Special Paper
External Examiner(s)	Professor Vincent Munley
Internal Examiner(s)	Mr. Brendan Kennelly
	Dr T van Rensburg

Instructions: Students should answer 3 out of 6 questions. All questions are equal.

Duration 2 hrs
 No. of Answer books _____

Requirements: 3
 Handout _____
 MCQ _____
 Statistical Tables _____
 Graph Paper _____
 Log Graph Paper _____
 Other Material _____

No. of Pages 2

Department(s) Economics

1. Write a brief note on any 3 of the following:

- (i) In relation to renewable natural resources what does “maximum sustainable yield” refer to?
- (ii) Discuss “strong sustainability” and “weak sustainability”.
- (iii) The first law of thermodynamics (materials balance principle)
- (iv) The Environmental Kuznets Curve (EKC)
- (v) Discuss the Weak Complementarity Approach as a means of measuring environmental quality.

- 2. The social discount rate is lower than the private discount rate, therefore the socially optimal rate of resource depletion is lower than the privately optimal rate of resource depletion. Explain what this statement means and discuss what policy implications follow if this statement is true.
- 3. Evaluate the use of the contingent valuation method as a means of valuing environmental public goods. Discuss how the method works, some of the problems associated with the technique and how it might be applied in the measurement of environmental values.
- 4. To what degree are the ecologist’s and the economist’s concepts of sustainable behaviour mutually compatible?
- 5. Many environmentalists argue that the optimum level of pollution is zero. Discuss why the environmental economist may not agree with this.
- 6. Critically compare the relative merits of Pigovian taxes with regulated standards for pollution control.