

Ollscoil na hÉireann, Gaillimh
National University of Ireland, Galway

Semester II Examinations, 2004/2005

Exam Code(s)	1EE1, 1EP1
Exam(s)	M.Econ.Sc. (Economic Policy Evaluation & Planning) M.A. (Economic Policy Evaluation & Planning)
Module Code(s)	EC518
Module(s)	Environmental Economics
Paper No.	1
Repeat Paper	Special Paper
External Examiner(s)	Professor Vincent Munley
Internal Examiner(s)	Mr. Brendan Kennelly Dr. Thomas van Rensburg

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

Duration 2.5
hrs.
No. of Answer books 1

Requirements:

Handout _____
 MCQ _____
 Statistical Tables _____
 Graph Paper _____
 Log Graph Paper _____
 Other Material _____

No. of Pages 2

Department(s) ECONOMICS

- 1) Consider the relative merits of market or incentive-based instruments versus 'command and control' instruments as a means of regulating environmental externalities under conditions of certainty.
- 2) To what extent do environmental problems arise from the absence of clearly defined property rights?
- 3) Evaluate the Hotelling efficiency condition with respect to the extraction of a non-renewable resource. Demonstrate the consequences for the efficient extraction of the resource of an increase in the resource owners' private discount rate.
- 4) The concept of sustainability is given a different interpretation in economics compared with the natural sciences. Critically evaluate the meaning of sustainability in these two frameworks, and discuss the approaches taken by economists to make the sustainability concept operational.
- 5) The Contingent Valuation Method is a technique employed to measure the benefits of an environmental good. Outline how this approach works and evaluate its application to measuring the value of environmental recreation.
- 6) It has been argued that 'Limits to growth' was excessively pessimistic. Discuss.