

**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY
FACULTY OF APPLIED SCIENCES
DEPARTMENT OF ENVIRONMENTAL SCIENCE AND HEALTH
BACHELOR OF SCIENCE HONOURS DEGREE
FINAL EXAMINATIONS**

ENVIRONMENTAL ECONOMICS CBA 1004

December 2011

Time Allowed: 3 Hours

Total marks:100

INSTRUCTIONS TO CANDIDATES

Answer any **four** questions. Each question carries **25 marks**

Question 1

“The study of Economics is centred on the concept of scarcity”. On the basis of this statement, explain how economics relates to choice, opportunity and scale of preference.

[25 marks]

Question 2

Using diagrams, explain how a market equilibrium price is arrived at in a free market economy.

[25 marks]

Question 3

Define the phrase “market failure” and give the underlying causes of this phenomenon, and its impact on the environment.

[25 marks]

Question 4

Outline what you understand by the term “marginal utility” and the “Law of Diminishing Marginal Utility”. How do you interpret these concepts?

[25 marks]

Question 5

Discuss the relationship which exists between microeconomics and macroeconomics, pointing out the similarities and differences.

[25 marks]

Question 6

With the aid of a diagram, describe the nature and importance of elasticity of demand and elasticity of supply.

[25 marks]

(End of Question paper)

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SUPPLEMENTARY EXAMINATIONS**

ENVIRONMENTAL ECONOMICS CBA 1004

July 2012

Time Allowed:3 Hours

Total marks: 100

INSTRUCTIONS TO CANDIDATES

Answer any **four** questions. Each question carries **25 marks**

Question 1

How do you define “market failure”? Explain how market failure leads to environmental degradation. **[25 marks]**

Question 2

Using at least 5 examples, explain the importance and reasons for studying environmental economics. **[25 marks]**

Question 3

Assess the advantages of using emission charges and tradable pollution rights or permits in pollution control. **[25 marks]**

Question 4

Explain how cost-benefit analysis is used to measure environmental, social and economic benefits and costs. Assess the importance of time value of money. **[25 marks]**

Question 5

Describe how economic efficiency leads to market success and positive impact on the environment. **[25 marks]**

Question 6

“Environmental economics is generally assumed to have evolved in the 1970s”. What reasons can you provide for the late emergence of environmental economics and why it has now taken centre stage in a global scale? **[25 marks]**

(End of Question paper)

