



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2013/2014

**SECOND YEAR SECOND SEMESTER EXAMINATIONS FOR THE
DEGREE OF BACHELOR OF SCIENCE IN ENVIRONMENTAL
SCIENCE WITH INFORMATION TECHNOLOGY**

(MAIN CAMPUS)

**NES 210: ECONOMICS OF NATURAL RESOURCE
MANAGEMENT**

Date: 1st April, 2014

Time: 11.15am - 1.30pm

INSTRUCTIONS:

- Answer QUESTION ONE and any other TWO questions.

1a. With specific reference to forestland and food crops production, examine the following concepts as applied in the economic criteria for solving natural resource problems

i) Product possibility frontier (8 marks)

ii) Optimal production (7 marks)

iii) Producer and consumer surplus (8 marks)

iv) Efficient resource allocation (7 marks)

2. Examine the functions of biodiversity under the following headings:

i) Ecological functions. (10 marks)

ii) Economic functions. (10 marks)

3. Examine the criteria for the classification of natural resources. 20 Marks

4. Discuss how uses of solar energy may minimise over-reliance on fossil fuels in the world (20 marks)

5a. Explain the characteristics of property rights. (10 marks)

b. Assess the appropriateness of the private property rights regime in natural resource management. (10 marks)

6a. Describe the market failures that impede on sustainable use of natural resources.

(10 marks)

b. Explain the positive externalities that influence environmental conservation.

(10 marks)