



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017

**FOURTH YEAR FIRST SEMESTER EXAMINATION FOR DEGREE
OF BACHELOR OF ARTS IN ECONOMICS WITH
INFORMATION TECHNOLOGY**

MAIN CAMPUS

AEC 413: ENVIRONMENTAL ECONOMICS

Date: 1st December, 2016

Time: 8.30 - 11.30am

INSTRUCTIONS:

- Answer Question ONE and any other THREE

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ISO 9001:2008 CERTIFIED



Question One

- a) Outline the criteria for environmental policy evaluation.

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a) Outline the criteria for environmental policy evaluation.

(8 Marks)

b) Explain the following concepts;

i) Uniformly and non uniformly mixed pollutants. (3 Marks)

ii) Cumulative and non cumulative pollutants. (3 Marks)

c) Using suitable illustration, describe any four types of externalities.

(6 Marks)

d) The amount of emission from an industrial plant is $Q = 10K^{0.25}L^{0.75}$. If

10 units of labour 5 units of capital cost them 100 units,

calculate the minimized amount of total emission. (5 Marks)

Question Two

As a policy analyst, describe the process of designing an environmental policy to curb the pollution problem. (15 Marks)

Question Three

Using a well labeled diagram, illustrate the primary linkages among economic activity, human welfare and the environment.

---(15-Marks)

Question Four

"There are a wide variety of types of regulations that are employed to control pollution." Discuss (15 Marks)

Question Five

a) Using a suitable diagram, explain the level of emission that a plant would choose when faced with strict liability rule.

(8 Marks)

b) Explain the types of environmental standards under command and policies. (7 Marks)