



# **MASENO UNIVERSITY**

## **UNIVERSITY EXAMINATIONS 2015/2016**

### **FOURTH YEAR SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF ARTS IN ECONOMICS WITH INFORMATION TECHNOLOGY**

#### **MAIN CAMPUS**

#### **AEC 417: RESOURCE ECONOMICS**

Date: 22<sup>nd</sup> April, 2016

Time: 11.00 - 1.00pm

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#### **INSTRUCTIONS:**

- Answer Question ONE and any other TWO Questions.



### QUESTION ONE

- i. Distinguish between renewable and non renewable resource (3 marks)
- ii. Explain the economic manifestations of environmental degradation? (10 marks)
- iii. Explain the environmental problems in Kenya that need urgent attention (10 marks)
- iv. Name the objectives of Sustainable development in Resource Economics? (7 marks)

### QUESTION TWO

- i. With the help of the diagram, illustrate the optimum degree of utilization of any particular fishing ground? (10 marks)
- ii. Explain what is meant by the term maximum sustainable yield and explain the pitfalls in the management of the environment? (10 marks)

### QUESTION THREE

When environment resources are not controlled, they tend to be misused, overused and abused. Which methods can be used to control the use of the environment and what are the strengths and weaknesses of each method? (20 marks)

### QUESTION FOUR

- i. Explain The Hotelling's rule in the management of non renewable resources? (10 marks)
- ii. Highlight the resources that make up the environment unsuitable for private ownership? (10 marks)

### QUESTION FIVE

- i. Explain some of the common property problems? (10 marks)
- ii. With the use of production possibility frontier, explain how allocative efficiency can be achieved? (10 marks)