



MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS
2017/2018 ACADEMIC YEAR
FIRST YEAR SECOND SEMESTER**

**SCHOOL OF TOURISM AND NATURAL RESOURCE
MANAGEMENT
BACHELOR OF SCIENCE IN ENVIRONMENTAL
STUDIES**

**COURSE CODE: ENS 1201
COURSE TITLE: INTRODUCTION TO ECONOMICS OF
NATURAL RESOURCES ECONOMICS**

DATE: 3RD MAY 2018

TIME: 0830 - 1030 HRS

INSTRUCTIONS TO CANDIDATES

Answer ALL questions in section A and any other THREE in section B.

This paper consists of 2 printed pages. Please turn over

SECTION A- Answer ALL Questions (25MKS)

1. Define the following terms as used in natural resources economics:
 - (a) Stock resources **(2 marks)**
 - (b) Flow resources **(2 marks)**
 - (c) Reserves **(1 mark)**
2. Write short notes on sustainability. **(5 marks)**
3. Illustrate the environment – economy interdependence. **(5 marks)**
4. (a) Differentiate between private property and public property. **(2¹/₂ marks)**
 - (b) Differentiate between open access property and common resource property. **(2¹/₂ marks)**
5. Use a diagram to illustrate the steady state exploitation of a fisheries resource. **(5 marks)**

SECTION B – Answer ANY Three Questions (45MKS)

1. (a) Market failure causes inefficiencies in the economy. Explain. **(10 marks)**
 - (b) Highlight the solutions to market failure. **(5 marks)**
2. Describe the simple resource depletion model. **(15 marks)**
3. Explain the importance of sustainability in exploitation of natural resources. **(15 marks)**
4. Describe the origin of natural resource economics **(15 marks)**

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