



MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS
2017/2018 ACADEMIC YEAR**

SECOND YEAR SECOND SEMESTER

**SCHOOL OF TOURISM AND NATURAL RESOURCE
MANAGEMENT**

**BACHELOR OF FOREST ECOSYSTEMS
MANAGEMENT**

COURSE CODE: FEM 2215

**COURSE TITLE: FOREST ECONOMIS AND
EVALUATION**

DATE: 25TH APRIL, 2018

TIME: 8.30 – 10.30AM

INSTRUCTIONS TO CANDIDATES

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

This paper consists of 3 printed pages. Please turn over

SECTION A: ANSWER ALL QUESTIONS (25 MARKS)

1. Define the following terms as used in forest economics **(5 marks)**

- i. Scarcity
- ii. Forest Valuation
- iii. Oligopoly
- iv. Price Ceiling
- v. Marginal Product

2. Briefly explain **two** major Economic Models **(4 marks)**

3. Using examples differentiate between micro-economics and macro-economics **(2 marks)**

4. a) List **three** benefits of trade to the society **(3 marks)**

b) Briefly explain **four** types of forestry goods which the society enjoys **(4 marks)**

c) Explain how price floors affect market outcomes **(2 marks)**

5. a) Using examples, differentiate between explicit and implicit costs **(3 marks)**

b) Explain the term marginal cost **(2 marks)**

SECTION B: ANSWER ANY THREE QUESTIONS (45 MARKS)

6. Discuss the principles of economy which are useful to the society and how they influence their status of living **(15 marks)**

7. a) State the law of demand **(2 marks)**

b) Describe the factors that leads to shifts in demand curve **(13 marks)**

8. a) Define the term production function as used in economics

(2 marks)

b) Describe forest valuation techniques **(13 marks)**

9. a) Using illustrations and equations, explain how one can determine average costs **(4 marks)**

b) Discuss the measurements of gross domestic products and its components **(11 marks)**

10. Discuss the applications of economics in forestry operations **(15 marks)**

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