



University of Sri Jayewardenepura - Faculty of Humanities and Social Sciences  
Bachelor of Arts (Special) Degree Fourth Year First Semester Examination – July/August, 2017

Economics

**ECON 4165.02 – Environmental Economics**

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- Time: Three (03) hours only
  - Answer **only five (05) questions including question 01**
  - Handwriting should be clear.
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01. i). Briefly explain the need of environmental economics. (05 marks)
- ii). Distinguish between natural resources and environmental resources with examples. (04 marks)
- iii). “The task of environmental economist differs from economist’s.” Do you agree? Explain. (07 marks)
02. i). “Paul Ehrlich’s ideas on scarcity is more practical than Malthus’s.” Analyze. (10 marks)
- ii). “Environment is a dynamic consumption good.” Explain (06 marks)
03. i). Identifying the concept of property right, explain its relevance to the environmental economics. (08 marks)
- ii). “Environmental economics creates a ‘missing market’.” Critically examine the validity of this statement using environmental economics analyses. (08 marks)
04. i). What is an open access property? How such a property is degraded? Describe. (08 marks)
- ii). What are the needs of making an open access property a community property? (08 marks)
05. i). Explain the derivation of social demand curve for a public good with graphical illustrations. (08 marks)
- ii). “Public good creates an inefficient market.” Explain using appropriate graphs. (08 marks)
06. i). “Market for externalities is created by the internalization of such externalities.” Do you agree? Give reasons. (08 marks)
- ii). Evaluate the environmental pollution prevention, minimization and mitigation activities in Sri Lanka. (08 marks)

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