Universiti Tun Hussein Onn Malaysia

UNIVERSITI TUN HUSSEIN ONN MALAYSIA

FINAL EXAMINATION
SEMESTER II
SESSION 2016/2017

COURSE TITLE	:	ENVIRONMENTAL ECONOMICS
COURSE CODE	:	BWJ 31003
PROGRAMME CODE	:	BWW
EXAMINATION DATE	:	JUNE 2017
DURATION	:	3 HOURS
INSTRUCTION	:	ANSWER **ALL** QUESTIONS

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THIS QUESTION PAPER CONSISTS OF **FIVE (5)** PAGES

Q1 A Forestry Department is evaluating alternative routes for a new road into a former forest reserve. Three mutually exclusive plans for routing the road provide different benefits, as shown in **Table Q1** below. The roads are assumed to have an economic life of 50 years, and MARR is 8% per year.

(a) Compute the benefit-cost analysis for the three routes.

(10 marks)

(b) Determine how to control non-point-source emissions.

(10 marks)

(c) Determine which route should be selected.

(5 marks)

Q2 Based on **Figure Q2** –Resources, Economic growth (Industrial output), population growth and evironmental quality:-

(a) Demonstrate the relationship between resources, economic growth, population growth and environmental quality in developing country.

(10 marks)

(b) Environmental pollution is, for the most parts, reversible, in the sense that it can be decreased if the appropriate steps are taken. Analyze the positive and negative impacts, therefore, of using sustainability as a criterion for evaluating environmental policies.

(15 marks)

Q3 (a) "Efficiency implies cost-effectiveness, but cost effectiveness does not imply efficiency". Describe this statement accordingly.

(5 marks)

(b) The ISO 14 000 is a standard to provide a practical tools for companies to manage the environmental responsibilities. Explain **FIVE (5)** benefits of ISO 14000 implementation in companies.

(10 marks)

(c) Outline process is auditing the environmental management the environmental management process auditing.

(10 marks)

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Q4 "In many other industrialized countries, major pollution-control efforts started in the decade of the 1970s, as they did in the United State. Policy in different countries is pursued through means that are congenial to the political culture and institutional history for each one".

(a) Describe the polluter pays principle.

(5 marks)

(b) Demonstrate how to control non-point-source emissions.

(10 marks)

(c) Explain "greening the national income accounts".

(10 marks)

-END OF QUESTIONS-

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Table Q1

Route	Construction Cost (RM)	Annual Maintenance Cost (RM)	Annual Savings in Fire Damage (RM)	Annual Recreational Benefit (RM)	Annual Timber Access Benefit (RM)
A	185,000	2,000	5,000	3,000	500
B	220,000	3,000	7,000	6,500	1,500
C	290,000	4,000	12,000	6,000	2,800

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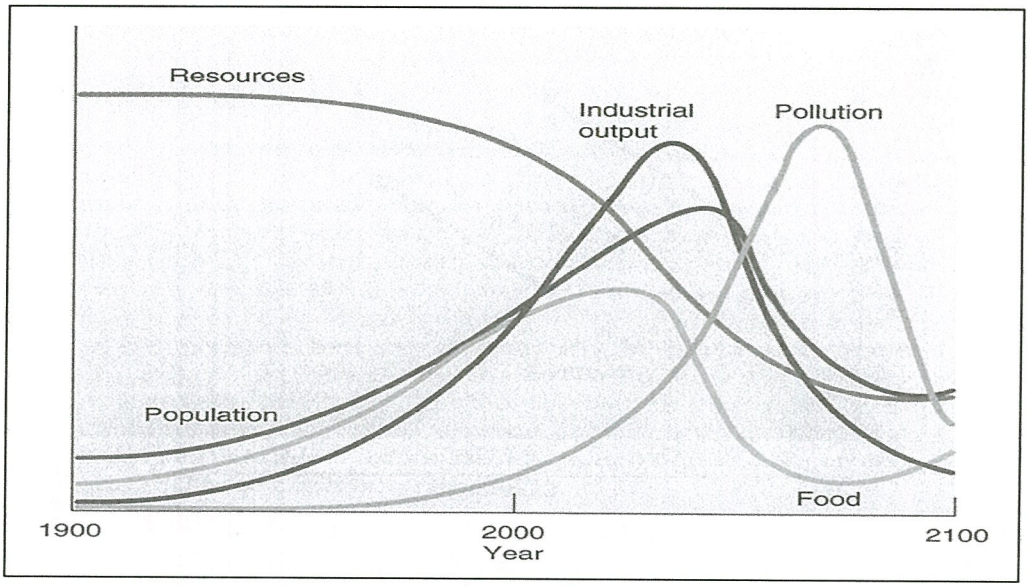

Figure Q2

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