

Assignment 1 (Optional)

Part A True/ False/ Uncertain Questions

Explain why the following statement is True, False, or Uncertain according to economic principles. Use diagrams and / or numerical examples where appropriate. Unsupported answers will receive no marks. It is the explanation that is important.

A1.

In the presence of a negative externality, the competitive equilibrium is characterized by an under-allocation of resources such that too little of the good is produced. [Diagrams Required]

A2.

According to the Coase Theorem, an efficient outcome cannot be achieved if the polluters control the property rights. [Diagrams Required]

Part B

Problem Solving Questions

Read each part of the question very carefully. Show all the steps of your calculations to get full marks.

- B1.** Review Questions # 3 from Chapter 3 of the main textbook – *Environmental Economics & Management (4th or 5th ed.)*.

Or,

Review Questions # 4 from Chapter 3 of the main textbook – *Environmental Economics & Management (6th ed.)*.

- B2.** Review Questions # 5 from Chapter 3 of the main textbook – *Environmental Economics & Management (4th or 5th ed.)*.

Or,

Review Questions # 6 from Chapter 3 of the main textbook – *Environmental Economics & Management (6th ed.)*.

- B3.** Review Questions # 4 from Chapter 4 of the main textbook – *Environmental Economics & Management (4th or 5th ed.)*.

Or,

Review Questions # 5 from Chapter 4 of the main textbook – *Environmental Economics & Management (6th ed.)*.

- B4.** Review Questions # 5 from Chapter 4 of the main textbook – *Environmental Economics & Management (4th or 5th ed.)*.

Or,

Review Questions # 6 from Chapter 4 of the main textbook – *Environmental Economics & Management (6th ed.)*.