



*“Investing in Africa’s Future”*

**COLLEGE OF HEALTH, AGRICULTURE AND NATURAL SCIENCES**

**NESN403: ENVIRONMENTAL AND NATURAL RESOURCES ECONOMICS**

**END OF FIRST SEMESTER EXAMINATION**

**NOVEMBER 2025**

**LECTURER: MR. G. P. MITI**

**DURATION: 3 HRS**

**INSTRUCTIONS**

Answer all questions in Section A and any **three** from Section B

Section A carries **40 marks** and each question in Section B carries

**20 marks.**

## SECTION A: ANSWER ALL QUESTIONS [40 MARKS]

### Question 1

- a. Define Common pool resources and illustrate your answer with examples. [5]
- b. Using an example, explain how common pool resources can be protected. [15]

### Question 2

- a. How would you define resource scarcity with the aid of examples? [3]
- b. Explain how each of the following helps mitigate the pressure exerted by population and economic growth on environment and natural resources.
  - i. Exploration and discovery. [6]
  - ii. Improvement in technology. [6]
  - iii. Substitution. [5]

## SECTION B: ANSWER ANY THREE QUESTIONS [60 MARKS]

### Question 3

- a. Explain each of the following.
  - i. The price of small cars goes up when there is prolonged instability in the oil-producing Middle East region. [5]
  - ii. Why the astronomical growth of world population has not resulted in a “boom and burst” effect as predicted by some economists? [5]
- b. Describe how each of the following affects quantity demanded of a given product.
  - i. Consumer tastes and preferences. [3]
  - ii. The number of consumers in the market. [3]
  - iii. The money income of consumers. [4]

### Question 4

Less developed countries of the world continue to face economic challenges despite increased rates of exploitation of their natural resources.

- a. Describe the major economic issues that make it difficult for developing countries (poor countries) to manage their environments and natural resources in spite of increasing exploitation of these natural resources. [15]
- b. How can these countries address these problems? [5]

**Question 5**

- a. What causes (i) global warming and (ii) ozone depletion? [4]
- b. Outline the effects of each of the two phenomena in (question 5a.) above. [8]
- c. What economic measures can governments take to address these two problems? [8]

**Question 6**

Discuss the pros and cons of using Cost Benefit Analysis in evaluating projects. [20]

**Question 7**

Describe in detail, the market and non-market impacts of climate change. [20]

**END OF EXAMINATION PAPER**