

**THE OPEN UNIVERSITY OF SRI LANKA**  
**DEPARTMENT OF SOCIAL STUDIES**  
**BA DEGREE IN SOCIAL SCIENCES - LEVEL 5**  
**FINAL EXAMINATION – 2021/2022 (1<sup>st</sup> Semester)**  
**DSU5335 – RESOURCE ECONOMICS**  
**DURATION: THREE HOURS (03 HOURS) ONLY**



**Date: 23/07/2022**

**Time: 1.30 p.m. – 4.30 p.m.**

**Instructions:**

- Answer five (05) questions ONLY.
- Each question carries twenty (20) marks.
- Please write in clear handwriting.

01.

- a) What is environmental economics?
- b) Discuss three (3) main categories of environmental problems that you are familiar with.

02.

- a) Distinguish between use value and non-use value by using possible examples.
- b) Outline the classification of environmental valuation methods.

03.

- a) Explain the impact of economic activities on environment and advice how an economy can save the earth's resource base and can reduce possible negative impact of excessive extraction. Use materials balance model to support your answer.

04.

- a) Explain why we need to preserve natural resources for future generations.
- b) Examine how we can smooth consumption of non-renewable and renewable resources.

05.

- a) Discuss the importance of sustainability criteria.
- b) Briefly explain four (04) factors of sustainability criteria.

06. "There are different categories of property rights on the basis of the nature of the environment and natural resources and related consumption patterns". Explain two (02) property rights structures using appropriate examples.

07. "Environmental valuation is essential to assess the benefits offered by environmental services damage incurred on the environment by human activities". Explain.

08.

- a) Explain two (02) major environmental issues in Sri Lanka which prevailed during the last three decades.
- b) State your opinion on government involvement to solve these problems.

09. Write short notes on any **four (04)** of the following.

- a) Classical Economics and Neoclassical Economics
- b) Renewable and Non-renewable resources
- c) Material Balance Model
- d) Public goods
- e) Advantages and Disadvantages of global environmental organizations
- f) Importance of environmental valuation methods
- g) Circular Flow of Model
- h) Present value and Future value

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