

THE OPEN UNIVERSITY OF SRI LANKA
DEPARTMENT OF SOCIAL STUDIES
BA DEGREE PROGRAMME IN SOCIAL SCIENCES – LEVEL 5
FINAL EXAMINATION– 2024/2025 (SEMESTER 1)
DSU5335 – RESOURCE ECONOMICS



DURATION: THREE HOURS (03 HOURS) ONLY

Date: 26.04.2025

Time: 09.30. a.m. – 12.30. p.m.

Instructions:

- Answer only **FIVE (05)** questions.
- Each question carries twenty (20) marks.
- Write your answers in clear handwriting.

1. (a) Explain how resource scarcity impacts economic decision-making in developing countries.

(b) Discuss two practical strategies that can be implemented to ensure intergenerational equity in natural resource use.
2. (a) Describe the economic importance of non-renewable resources with specific examples.

(b) Explain the concept of optimal resource allocation in managing non-renewable resources.
3. (a) Explain the sustainability of fisheries and forestry as renewable resources.

(b) Discuss two significant challenges in maintaining the sustainability of renewable resources.
4. (a) Explain the role of government intervention in promoting sustainable development.

(b) Suggest two policy measures that can balance economic growth and environmental conservation.

5. (a) Provide an example of an external diseconomy related to resource extraction and its impact on society.

(b) Explain how market-based instruments such as taxes and subsidies can help mitigate negative environmental externalities.
6. (a) Discuss the significance of well-defined property rights in preventing resource overuse.

(b) Provide an example of a common-property resource management system and its effectiveness.
7. (a) Why is environmental valuation important in decision-making for resource allocation?

(b) Explain two practical methods used for environmental valuation with examples.
8. (a) Discuss how international environmental agreements influence national policies on resource management.

(b) Explain the role of non-governmental organizations (NGOs) in environmental conservation efforts.
9. Write any **FOUR (04)** short notes on the following topics.
 1. Resource Endowment and Economic Growth
 2. Causes of Resource Depletion
 3. The Circular Flow Model and Environmental Sustainability
 4. Importance of Recycling and Reuse
 5. The Role of Technology in Resource Conservation
 6. Advantages of Renewable Energy

******Copyrights Reserved******