

Taloustieteiden tiedekunta

Tentin päivämäärä / Date of exam: 26.3.2015
Opintojakson koodi, nimi ja tentin numero / The code and the name of the course and number of the exam: 7213345 Environmental Economics
Tentaattori(t) / Examiner(s): Artti Juutinen
Sallitut apuvälineet / The devices allowed in the exam: <input type="checkbox"/> Laskin (ei graafinen/ohjelmoitava)/Calculator (not graphic, programmable) <input type="checkbox"/> Sanakirja/Dictionary <input type="checkbox"/> Muu materiaali, tarkennettu alla/Other material, specified below
Tenttiin vastaaminen / Please answer the questions <input type="checkbox"/> X suomeksi/ in Finnish <input type="checkbox"/> X englanniksi/ in English
Kysymyspaperi on palautettava / Paper with exam questions must be returned: <input type="checkbox"/> Kyllä/Yes <input checked="" type="checkbox"/> Ei/No

1. Exam

Answer all the questions 1-5.

1. Derive the r Percent Rule of extraction and describe the optimal price and extraction paths for minerals.
2. Explain why open access is a problem in fishery? (Hint: use graphs)
3. Explain what is a Pigovian fee. By using graphs illustrate and explain what is the optimal Pigovian fee on pollutant emissions with two victims of pollution.
4. Describe the main characteristics of a contingent valuation (CV) method and the components of designing a CV study.
5. Describe a forest rotation model. Derive the rule for the efficient timing of a timber harvest and interpret the rule. Show by using the rule (comparative statics) how increase in planting costs affect optimal harvest age. Hint: $W = [pV(t)e^{-rt} - D] [1 - e^{-rt}]^{-1}$