Composition of the final exam -336

• 25 multiple choice covering all aspects of course -2 point each
  – 7 are taken from the first hourly (some modification in #’s)
  – 5 are taken from the second hourly
  – 8 from test bank
  – 5 new questions highlight last part of course
• 3 problems – 2 are variations on what is on the test bank and one is from the problems at the end of each chapter of your text – 12 points each
• 7 short answer –some repeats from past exams – 2points

Concepts to Remember -I

• Definition of efficiency
• Attributes of public and private goods
• Assumptions of the Coase Theorem
• Definition of externality
• Criteria for efficiently allocating responsibility for reducing emissions –given marginal costs of controlling emissions (or marginal costs of abatement)
Concepts to Remember -II

- Discount rate and importance of future costs and benefits
- Assumptions of Benefit Cost Analysis
- Methods for measuring benefits provided by non-market resources
  - What can travel cost, hedonic property value, and averting behavior methods measure?
  - Be able to use hedonic method to measure marginal benefits
  - What does stated preference methods measure that is distinctive from the methods based on actual behavior (sometimes called revealed preference methods)

Key Definitions

- Materials and Energy Balances
- Receptor and Source
- Incentive Based and Command and Control
Policies to Remember

• What is the central organizing principle for the clean air act?

• Be able to distinguish the mandates for RCRA and CERCLA as they relate to the hazardous waste problem

• Why has CERCLA (Superfund) been so costly?

Global Warming

• What is global warming?

• What are greenhouse gases?

• Explain how this environmental management is different from conventional pollution problems

• Why is it difficult to formulate policies to address it?
Nonrenewable and Renewable Resources

• Meaning of reserves and Hotelling rent

• What determines the rotation cycle for a forest and how does recreation influence it?

• What are the key components of a fishery model and what does open access mean?

Sustainability and Environment and Development

• What were the key elements in Solow’s discussion of sustainability?

• How do you define a measure for sustainability and how does it relate to the Hotelling rent?

• What is the Environmental Kuznets Curve and how does it relate to the environment/development tradeoff?