

January Examination Period 2025

ECN351 Environmental Economics Duration: 2 hours

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INSTRUCTED TO DO SO BY AN INVIGILATOR**

Answer FOUR questions out of the FIVE below

If you answer more questions than specified, only the first answers (up to the specified number) will be marked. Cross out any answers that you do not wish to be marked

Calculators are not permitted in this examination.

Complete all rough workings in the answer book and cross through any work that is not to be assessed.

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Examiner: Lucie Gadenne

Question 1

Why does air pollution affect individuals' incomes? Discuss empirical evidence regarding the effect of air pollution on incomes.

[25 marks]

Question 2

What are the advantages of environmental pricing policies (such as carbon taxes or emissions trading scheme) over environmental regulations?

[25 marks]

Question 3

'Climate change is a necessary by-product of economic growth'. Do you agree with this statement? Explain your reasoning.

[25 marks]

Question 4

Is international trade bad for the environment? Is international trade *policy* bad for the environment? Refer to empirical evidence in your answer.

[25 marks]

Question 5

'In the UK, environmental pricing policies will hurt the poor more than the rich.' Do you agree with this statement? Why? Refer to empirical evidence in your answer.

[25 marks]