



KENYATTA UNIVERSITY

SECOND SEMESTER EXAMINATIONS 2008/2009 UNIVERSITY EXAMINATIONS FOR DEGREE OF BACHELOR OF SCIENCE (ENVIRONMENTAL HEALTH)

HEH 405: ENVIRONMENTAL HEALTH ECONOMICS

DATE: Monday 6th April 2009

TIME: 2.00pm-4.00pm

INSTRUCTIONS:

This paper consists of two sections: SECTION A and SECTION B

SECTION A: SAQs Answer All five (50 questions (20marks))

SAQ1. Define the following terms

- Paradox of value
- Shut down point
- Marginal utility
- Marginal cost.

[4marks]

SAQ2. Give the mathematical expression of the following terms:

- Demand function
- Elasticity of demand
- Sustainable development
- Marginal Revenue.

[4marks]

SAQ3. A firm produces 50 units which each cost £4 to produce it. It is producing 51st (fifty first) unit

[4marks]

SAQ4. A pharmaceutical industry sells 50 units of drugs for £6 each. It produces and sells one more unit and the price drops at £5.95. What is the marginal revenue of the company? [4marks]

SAQ5. Explain the theory of competitive equilibrium. [4marks]

SECTION B: LAQs : LAQ1 is compulsory. Answer any other TWO questions

LAQ1. Write a short essay on environmental valuation. [20marks]

LAQ2. Using demand and supply analysis, describe the effect of price. (Illustrate your answer by figures). [15marks]

LAQ3. What are the main major microeconomic goals? [15marks]

LAQ4. State the different types of costs in environmental health economics. [15marks]