BERGISCHE UNIVERSITÄT WUPPERTAL
Fachbereich Wirtschaftswissenschaft

Klausuraufgaben

**International Environmental Economics
and International Policy Issues**

Alle Studienrichtungen

Prüfer / Examiner:
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Prüfungstag / Date:
23.02.2015

Erlaubte Hilfsmittel / Allowed tools:
Keine / None

Alle Aussagen sind zu begründen und Rechenschritte, so fern notwendig vollständig wiederzugeben.

Abweichungen führen zu Abzügen bei der Punktzahl.

Bei Unklarheiten im Verständnis der Aufgaben ist anzugeben unter welche Annahmen die Aufgaben bearbeitet wurden.

Die Klausur gilt als bestanden, wenn die erreichte Punktzahl mindestens 45 Punkte beträgt.

All arguments are to be justified and all steps of any calculation should be stated.

Deviations might lead to a deduction of points.

If unclear on how to answer a question, name the assumptions under which the question has been answered.

The exam is passed if the overall amount of points is at least 45.

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Unterschrift / Signature

Die Klausur besteht aus insgesamt 2 (zwei) Seiten. / The exam consists of 2 (two) pages.

Part I
Question 1 (20 Points)
Define and describe two different market-based instruments? How could they support resource efficiency? What are key analytical dimensions how these instruments sum up to an efficient policy mix?

Question 2 (10 Points)
Explain the concept of double decoupling and resource efficiency. What are the main differences to classic environmental policy approaches?

Part II
Question 1 (10 Points)
The market for a product x is perfect competitive.
The inverse demand function is: $P(x) = 30 - x/15$.
The aggregated supply function is: $A(x) = x/15$.
The marginal external costs are represented by: $MEC(x) = x/30$.
      a) Present the demand and supply curves graphically.
      b) Calculate the uncorrected market equilibrium.
      c) Determine the Marginal Abatement Cost $MAC(x)$.

Determine the social optimum considering the negative externality.

Question 2 (10 Points)
Explain why the environment can be considered a public good. What are the most important properties of a public good? Compare public goods with private goods and explain why government activity is required in providing public goods.

Question 3 (10 Points)
Explain the Coase theorem. What are strengths and weaknesses of this internalizing method?

Part III
Question 1 (18 Points)
      a) (3 Points) Describe three specifics that set energy markets apart from regular markets.
      b) (5 Points) List five components of energy prices.
      c) (10 Points) Explain the three main objectives of energy policy and describe the trade-offs between those. Please support your answer with examples.

Question 2 (12 Points)
Explain three of the following four concepts (4 Points each):
      (1) Eco-economic decoupling
      (2) Merit-order effect
      (3) Dutch disease
      (4) Carbon lock-in effect