

## Quiz 2

(5 points)

nakamon  
6304640656

Time: 22 September 2021 at 15:00-15:30 (30 minutes)

There are 2 questions. You need to answer all two questions. Please **submit** your answers in a PDF file with a file name "Quiz2\_StudentID\_FirstName Surname" via BE Moodle class before **15:40**.

Write a paragraph to answer two questions below:

**Question 1: What are the problems in water resource management?** (2.5 points)

**Question 2: What could be a source of inefficient allocation of land?** (2.5 points)

- 1). there is several problems in water management such as restrictions on transfers, subsidies and agricultural water pricing (negative benefits), municipal and industrial water pricing (price charged by water distribution not promote an efficiency.
- 2) several land attributes and the allocations can result in inefficient → poorly specified property right, market power and externalities (market problem) ☺  
forexample insecure property rights, property rights to land are nonexistent and it uses is determined by first-come, first serves and there are no cost for who do not actually hold right to the land. This would results in opportunity costs and potential use of land could be more socially valuable. low-valued uses will dominated high-valued uses by it default.