

Quiz 2

6304640904

(5 points)

Panisa

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 are 2 main problem in water resource management.

→ The Problem that Related to water resources

- ① The water scarcity : The lack of water available due to both physical shortage or failure of institution to ensure a regular supply
- ② An Access to clean water problem : many people still cannot to access to a clean drinking water
- ③ Water demand for energy is growing → The Bioenergy is need a lot of water to produce energy
- ④ Water quality problem : many water resource are stilled polluted with many chemical.

→ Inefficiencies in water allocation

- Marginal net benefit have not been equalized

② The main source of inefficient allocation is

① Market Problems :

- Undervaluing environmental amenities → The owner of the land might not receive lower than the social net benefit
- Incompatible land uses → The cost of externalities associated with the land are not accrued exclusively to landowner
- Insecure property right → The land is sell by first come, first-serve so it results in the opportunity cost with other potential use that could be more valuable

② Public sector problem: An inefficient tax and user fee structures.

③ Government failure: Some policy might distort land-use allocations.