EE375 Applied Economics for Natural Resources and Environment
Semester 1/2021 (August 9 - November 27, 2021)
Instructor: Dr. Supawan Saelim

THAMMASAT

Quiz 3

(5 points)

Time: 29 October 2021 at 14:50-15:20 (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 "**Quiz3_StudentID_FirstName Surname**" via BE Moodle class before **15:30**.

Question 1: (2.5 points)

"Thailand will formally announce a new pledge to achieve carbon neutrality by 2065 at the COP26 in UK in November 2021."

a. What could be the reasons driving Thailand to set carbon neutrality target at COP26?
b. What policies could be used to achieve carbon neutrality in Thailand?

Question 2: (2.5 points)

"A cost-effective allocation of a uniformly mixed fund pollutant is where marginal costs are equalized for all sources or firms." Do you agree with this statement? Explain the reasons supporting your answer.

Q1

a) The reason could be that Thailand want to reduce amount of CO_2 and greenhouse emission in order to reach long-term temperature goal which is the global warming to be around 1.5 °C. Thailand decide to set a new pledge at COP26 because they could gain fund from other develpped countries.

b) Thailand could achieve carbon neutrality by using mitigation policies and adaptation policy.

Mitigation policy concern about how to reduce GHG emission and how to increase ability to absorb emission

Eg => Impose tax of CO_2

Adaptation policy focus on minimizing the effect from climate change impact.

Eg => Give more support in resilient infrastructure.

Q2

I agree with this statement since the marginal damage cost and marginal control cost and the quantity of emission reduced combined for all sources are the same. and it is under the target reduction.

Eg => Total target = 20 units

source A = 12 units

source B = 5 units

source C = 3 units