

Quiz 2

(5 points)

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. In today's world, we have many problems regarding water usage.

One of those problems that is related to the source of water which is water scarcity. This means that the usage of water relating water shortage, availability, and problem of accessing water. Our two main water sources are surface water from rivers and reservoirs, the other source is groundwater from underground rocks and soil.

Accessing clean water is another problems we face. There are difficulties accessing clean and safe drinking water for use and consumption. We have to also maintain the water stress to provide enough water for all activities. The third problem is the surprisingly and dramatically increase in rate of demand for water. People need more and more water to be consumed all over the world.

Finally, also an important matter which is water quality. Nowadays, water is polluted and mixed with various types of chemicals, bacteria, and other materials which are harmful to human's health if used or consumed. From this, the supply for drinking water reduces to be safe.

2. A source of inefficient of allocation of land can be from many problems.

One of those problem is from market problems which includes insecure property rights, undervaluing environmental amenities and incompatible land uses. There are externalities problems for example, the private net marginal cost is actually lower than the social net marginal cost.

Government failure is also a problem due to ineffective policies which poorly allocate the land. Finally, public sector problems which are related to inefficient tax. Some taxes cannot define values of each property.