

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)

Question 1

Water scarcity it means scarcity in availability due to physical shortage. Water scarcity will be exacerbated as rapidly growing urban areas place heavy pressure on neighboring water resources.

Climate change and bio-energy it was expected to help this problem. We have 2 main water resources surface water and ground water.

Drinking is the important thing because we use it every day if it is fresh water it can help us to have a good health due to the fact that drinking water travels from

perpetuation of population Water stress is defined as the ratio between total fresh water withdrawn by all economic activity and total available freshwater resources.

Water demand for energy is growing at alarming rate.

Water pollution is also a problem it's polluted with chemical, radioactive materials, salt or bacteria.

Question 2.

In principle, the market allocates the land to its highest and best use but in real life it's not effective. Sources of inefficiencies are Market problem, Public sector problem and Government failure.

Market problem is poorly specified property rights, market power and externality. For example, a large industry creates the cost of water pollution from animal waste to the neighbors.

Public sector problems: inefficiency, tax and user fee structure. It doesn't actually reflect the current activities.

Government failure: public policy sometimes distorts land-use allocations.