

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.

Q.1 a.) The first reason could be due to supportive alliances. If Thailand were to join the agreement, the member nations would be willing to offer support such as in monetary and technologies. It can be seen as a driving force or motivation to set the target in COP26. Another aspect is in term of an effort to reduce damage caused by climate change. It will benefit Thailand both environmental and building-image.

b.) At the beginning Thailand could adopt the 'Mitigation policies' in order to lessen the global warming. For instance, a carbon tax may help disincentivize people, mainly consumers, to use less fossil fuels. However, this policy should be implemented along with a cheaper alternative source of energy such as a renewable energy.

Q.2 Agree; the reason is that fund pollutants require that the marginal control cost should equal to the marginal damage cost. As a result, firms would try to allocate sources of control cost to minimize to total cost of reduction.