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

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.

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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?

a.) Paris agreement ⟶ a binding agreement to all nations to combat with climate change.

Thailand aims to reduce climate change / emission in longterm strategies when Thailand join Paris agreement, it will recieve 1. financial support 2. technical support 3. capacity building from joining Paris agreement.

Moreover, the climate change is rising year by year, so we need to set the carbon with the cop26 plan.

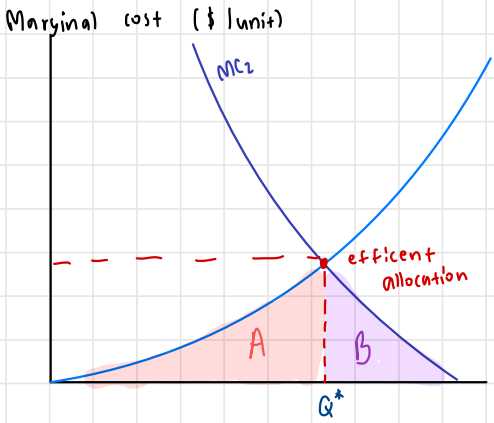
b) Mitigation Policies ⟶ focus on strategies designed to reduce emission directly and how to increase the absorbtion of greenhouse gases.

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.

Yes, I agree with this statement

A uniformly mixed fund pollutions (damage caused by any pollution is relatively insensitive to where emission are injected into atmosphere.



MC_1 = Marginal cost control firm 1

MC_2 = Marginal cost control firm 2

Efficient allocation $MC_1 = MC_2$

Area A + B is the minimum cost controlling by both firms.