

2530007

THE UNIVERSITY *of York*

Degree Examination 2004

ENVIRONMENT DEPARTMENT

BSc in Environment, Economics and Ecology, Part II

VALUATION OF ENVIRONMENTAL RESOURCES

Time allowed: **two hours**

Answer **TWO** question out of **FOUR**

All questions are equally weighted.

Answer all parts of the questions.

Please refer to readings and other material used in classes.

Pay adequate attention to mathematical notation, spelling, punctuation and grammar, so that your answers can be readily understood

- 1) Compare and contrast two valuation methods of your choice, focussing on the limits of the applicability of each, and on the data requirement. Discuss with references to practical examples.
- 2) Travel cost methods are often used to estimate recreational values of natural resources. However, the treatment of on-site sample collection is problematic. Explain at least two problems associated with such forms of sampling and their consequences for the estimated values. Are there any remedies to such problems?
- 3) Discuss the pros and cons of two elicitation methods for willingness to pay (for example, open-ended, referendum, payment card etc.) in contingent valuation, and outline the various steps in the analysis of the data of the two methods you choose to focus upon.
- 4) In comparing stated versus revealed preference methods, how do they differ and which of these two approaches is suitable for the estimation of existence values and why? What are the components of the total economic value of an environmental resource? Answer with reference to practical examples.