

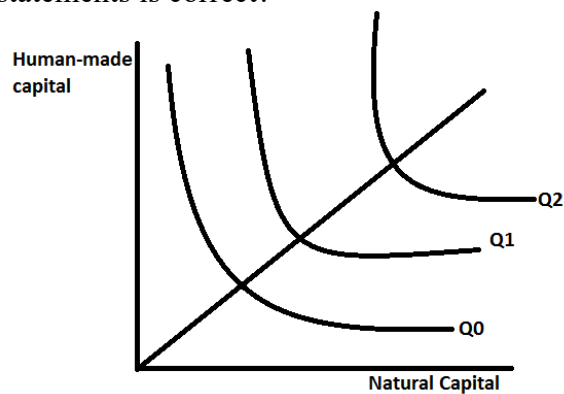
Multiple Choice

1. Economics approach is called anthropocentric because
 - a) Environmental resources are deemed to have no intrinsic value.
 - b) Environmental resources are evaluated based on their uses to all living beings, human or non-human.
 - c) Environmental degradation is considered unacceptable, even if benefits to humans are accrued.
 - d) All of the above.
 - e) None of the above.
2. The provision of ecosystem services
 - a) Are essential for supporting and sustaining life.
 - b) Are not fully accounted for by the market-clearing price.
 - c) Have been overlooked by neoclassical economists.
 - d) None of the above.
 - e) All of the above.
3. The natural environment is assumed to depend on which of the following?
 - a) Extraction of non-renewable resources.
 - b) Extraction of renewable resources.
 - c) Sunlight.
 - d) Humans.
 - e) All of the above.
4. The opportunity cost of a particular activity
 - a) Is always unknown with certainty.
 - b) Is a concept applicable to ecological economics, but not to the neoclassical approach.
 - c) Usually decreases as more of that activity is pursued.
 - d) Increases when more environmental resources need to be used to substitute for the same amount of other factors of production.
 - e) None of the above.

5. An ecosystem service, such as bee pollination, is dramatically increase because of reduction in pesticide use. How would this influence the opportunity cost for an apple orchard that relies on bees for pollination of their apple trees?

- a) It would not affect the opportunity cost
- b) It would increase the opportunity
- c) It would decrease the opportunity cost
- d) From an economic standpoint, opportunity cost should not be an issue
- e) None of the above

6. Consider the following substitution possibility graph. Assume that the output level (i.e. Economic production) is the same for each line ($Q_0 = Q_1 = Q_2$). Which of the following statements is correct?



- a) With Q_1 , technological improvements are such that resource conservation is lower relative to Q_0 .
- b) With Q_2 , technological improvements are such that resource conservation is lowest relative to Q_0 and Q_1 .
- c) With Q_0 , technological improvements are such that resource conservation is highest relative to Q_1 and Q_2 .
- d) Only b) and c) are correct
- e) A), b), and c) are correct