

Part I: Each question is worth 2 points.

1. Technology-based effluent standards (TBESs) are likely to give **more** pollution control for the money spent than alternative approaches such as tradable discharge permits or emission taxes.
 - a) True
 - b) False

2. All of the following are characteristics of the global warming problem except:
 - a) necessity to deal with many different pollutants simultaneously.
 - b) the temporal separation between emissions and damage.
 - c) the high degree of certainty underlying the scientific understanding of physical impacts of global warming.
 - d) the need to achieve international cooperation.

3. The ideal policy instrument to reduce all greenhouse gases would require
 - a) equating marginal damages from the emission of each type of greenhouse gas.
 - b) equating marginal abatement cost of reducing one unit of damages across each type of greenhouse gas.
 - c) equating marginal abatement costs across individual polluters.
 - d) all of the above.

4. The Stern Review of the economics of climate change concluded that the costs of taking immediate action to slow the growth of CO₂ are substantially lower than the potential costs of continuing “business as usual.” This conclusion has been roundly criticized on the basis of:
 - a) the unusually low growth rates assumed for global GDP over the coming century.
 - b) the unusually high growth rates assumed for global GDP over the coming century.
 - c) the unusually low discount rate used to calculate future costs.
 - d) the unusually high discount rate used to calculate future costs.

5. Natural extinctions occur when the environment changes and species
 - a) are displaced by new plants introduced by man.
 - b) find themselves at a competitive disadvantage and are replaced by existing species.
 - c) are hunted at higher levels than their reproduction rates.
 - d) lose their habitat to industrial development.

6. Recent federal-level efforts to control air pollution have focused on mobile-source emissions.
 - a) What are some examples of mobile source air pollution?
 - b) How might the different types of pollution-control policies be employed in the case of mobile-source emissions? What difficulties would these policies run into?

7. Choose ONE of the following issues. Define the term, explain what causes problem, and what policies have been adopted in response to the problem.
 - a) global warming
 - b) ozone depletion
 - c) loss of biodiversity