



RAJARATA UNIVERSITY OF SRI LANKA
FACULTY OF APPLIED SCIENCES

B.Sc. (Special) Degree in Applied Biology
Fourth Year - Semester I Examination – November/December 2017

BIO 4209 – BIODIVERSITY AND ECONOMICS

Time: Two (02) hours

Answer any four (04) of the following questions.

1. a) 'Scarcity is the foundation of economics'. Briefly discuss the rationality of this statement. (10 marks)
- b) Identify economic benefits provided by wetland ecosystems. (15 marks)
2. Discuss the potentials for applying Payments for Eco-system Services (PES) for biodiversity conservation in Sri Lanka. (25 marks)
3. a) Using an appropriate graph, explain why the negative externality is in over supply in a market economy. (15 marks)
- b) Provide at least four (4) examples for both positive and negative externalities produce by university students. (10 marks)
4. a) 'Most of the benefits provided by the natural ecosystems are non-marketed'. Briefly explain the rationality behind this statement. (10 marks)
- b) State the available techniques for valuing the non-timber forest benefits provided by the Sinharaja Rainforest and briefly explain one of them. (15 marks)

5. Write short notes on any three (3) of the following, including part.(a);

- a) property rights
- b) tragedy of the commons
- c) coase Theorem
- d) theory of demand
- f) consumer surplus.

(25 Marks)

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