Environmental Economics Facts

Economics · Practice Test · 18 Questions

1. What is the economic term for the benefits people derive from healthy ecosystems, such as clean air and water?

A) Natural capital
B) Ecosystem services
C) Biodiversity value
D) Resource depletion

2. The practice of fishing in a way that allows fish populations to replenish is known as:

A) Overfishing
B) Sustainable fishing
C) Trawling
D) Aquaculture

3. Which of these is an example of a renewable natural resource?

A) Coal
B) Oil
C) Timber
D) Natural gas

4. The economic cost of pollution, such as the damage to crops from acid rain, is an example of:

A) A positive externality
B) A public good
C) A negative externality
D) A market failure

5. Conservation efforts aimed at protecting endangered species often rely on what kind of economic concept to justify their costs?

A) Scarcity
B) Opportunity cost
C) Marginal utility
D) Comparative advantage

6. The value of a forest that is preserved for its carbon sequestration benefits (absorbing CO_2) is an example of:

A) A direct use value
B) An indirect use value
C) An option value
D) A non-use value

7. Which economic principle suggests that as more of a resource is consumed, the marginal benefit of consuming an additional unit decreases?

A) Law of Demand
B) Law of Supply
C) Law of Diminishing Marginal Utility
D) Law of Diminishing Returns

8. The economic activity of ecotourism, which involves visiting natural areas, directly contributes to:

A) Resource depletion
B) Biodiversity loss
C) Local economies
D) Habitat destruction

9. The concept of 'tragedy of the commons' describes a situation where:

A) Private resources are overused
B) Commonly owned resources are depleted
C) Government regulations protect resources
D) Individuals cooperate to conserve resources

10. Which of these is an example of a non-renewable natural resource?

A) Solar energy
B) Wind energy
C) Peat
D) Geothermal energy

11. The economic concept of 'externalities' is important in understanding the impact of human activities on:

A) Financial markets
B) Consumer behavior
C) The natural environment
D) Corporate profits

12. Protecting a coral reef ecosystem for its potential medicinal discoveries in the future is an example of:

A) A direct use value
B) An option value
C) An existence value
D) A cultural value

13. When a country invests in renewable energy sources like solar and wind, it aims to reduce its reliance on:

A) Water resources
B) Fossil fuels
C) Agricultural land
D) Forestry products

14. The economic principle that describes the cost of choosing one option over another, such as choosing to develop a forest for lumber instead of preserving it for its ecological benefits, is:

A) Scarcity
B) Opportunity cost
C) Supply and demand
D) Inflation

15. The economic value of a pristine wilderness area for recreational hiking is an example of:

A) An indirect use value
B) A non-use value
C) A direct use value
D) A speculative value

16. What is the economic term for the variety of life on Earth at all its levels, from genes to ecosystems?

A) Ecological succession
B) Biogeochemical cycles
C) Biodiversity
D) Habitat fragmentation

17. The economic cost associated with managing invasive species that harm native ecosystems is a form of:

A) A benefit of globalization
B) A market failure
C) A cost of biodiversity
D) A natural phenomenon

18. Investing in reforestation projects can have positive economic impacts by:

A) Increasing soil erosion
B) Reducing water quality
C) Creating carbon sinks and preventing deforestation
D) Decreasing biodiversity