

## Environmental Economics and Policy TEST REVIEW

Name: \_\_\_\_\_ Pd: \_\_\_\_\_ Date: \_\_\_\_\_

1. What is a **cost-benefit analysis**?  
Comparison of what is sacrificed (cost) vs. something that is gained (benefit)
2. Which is the relationship between economics and the environment?  
Harm to the environment can cause harm to economics (and reverse is true too)
3. “Energy Star,” “USDA Organic,” and “Fair Trade Certified” are all examples of  
Ecolabelling
4. In making environmental policies, who does government interact with?  
Citizens, Organizations, Businesses
5. In the U.S., laws enacted from the 1780s to the late 1800s reflected what perception? (Think Westward expansion)  
The Amount of Land and natural resources in the West was endless
6. When were most major laws in modern U.S. environmental policy enacted? (What 2 decades)  
1960s and 1970s
7. Headquartered in New York City, the 190 member nations of the following organization work together to promote peace and to help solve economic, social, cultural, and humanitarian problems.  
United Nations (UN)
8. What is the name for the TYPE of law that prohibits dumping wastes into the ocean and punishes people who dump wastes demonstrates which approach to environmental policy?  
Command and Control
9. A power company is given free land by the government to reduce the cost of providing wind-generated electricity to rural residents. This is an example of a  
Subsidy
10. Ultimately, where do economies get their resources and put their wastes?  
Ecosystems
11. Some people argue that because Earth’s resources are ultimately limited, nonstop economic growth is  
Not sustainable
12. Which branches of government are involved in environmental policy?  
All 3
13. Which branch of the U.S. government is involved in interpreting environmental laws and hearing lawsuits regarding environmental issues?  
Judicial Branch

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14. What major entity (organization) of the U.S. government has the chief responsibility for overseeing environmental regulations?

EPA – Environmental Protection Agency

15. What international organization issued a ruling that forced the U.S. Environmental Protection Agency (EPA) to weaken its regulations requiring cleaner gasoline?

WTO – World Trade Organization

16. Sometimes, a company that generates pollution will pay extra taxes, based on the amount of pollution it produces. These are known as

Green Taxes

17. Explain how Cap and Trade Works.

It issues permits that allow companies to emit a percentage of the overall amount of a given pollutant

18. What needs to be done first before proposing a solution to an environmental problem?

Identify the specific causes of the problem

19. Explain how Supply and Demand work

How much of something available and Demand is how much people want. When Supply outweighs demand=CHEAP/ When Demand outweighs supply = Price Goes Up

20. Do all economies depend on the environment? How do we know?

Yes- ALL resources come from the environment

21. In the United States, is the strength of environmental policy constant from state to state?

NO- Each state is different

22. What is The European Union?

Group of 27 Nations that can sign treaties and enact regulations that have the same authority as national laws in each member nation

23. Are Green taxes are used widely in the United States? Where are they used?

NO-Europe

24. What is this an example of: A small town needs a new water-supply tank. The individuals of the town cannot afford to purchase the tank, so the government funds it. Market Failure

25. How has the U.S. government changes its approach to the relationship between the nation's goals and the environment? It Reinvented its approach

26. In the United States during the 1960s and 1970s, did environmental policy move more toward the state and local level or Federal level? Federal Or National

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27. With the command-and-control approach to environmental policy, What does a government body do regarding rules? **a government body sets rules and threatens punishment for violations.**

28. In the United States, anyone can draft a bill, but who has to introduce it and follow it until it is passed? **A member of the legislature**

29. How many periods are there that are used to define when environmental policies were made?

**Three**

Define the following Words:

30. Demand – **The amount of a product people will buy at a given price if free to do so is**

31. EIS (Ecological Impact Statement) – **Requires government agencies to contract and evaluate the environmental impact of any major project before building, like a highway or dam.**

32. Ecolabelling- **tells consumers which brands are made with processes that do not harm the environment.**

33. International Treaties- **The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the Kyoto Protocol are examples of and are designed to protect the environment.**

34. Lobbying- **involves efforts to influence an elected official into supporting a specific interest.**

35. Non Renewable- **Resources that CANNOT be replaced**

36. Policy- **consists of a formal set of general plans and principles intended to address problems and guide decision making in specific instances.**

37. Subsidy- **is a giveaway of cash or public resources that is intended to encourage a particular activity or lower the price of a product.**

Cap and Trade (Forgot to add this one and its on the test-Know it!)- **is a giveaway of cash or public resources that is intended to encourage a particular activity or lower the price of a product.**

38. Outline ONE of the following questions to be answered on the test

**You're on your own for these-Good Luck!**

A. People often overlook the connection between their economic activities and the environment. In terms of economic activities, how can people be more mindful of their effect on the environmental? Give one example.

B. Outline the evolution of United States environmental policy from the 1780s to the late-1900s. How would you rate the progress made in U.S. environmental policy during this period?

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- C. What have been some of the most important developments in U.S. environmental policy since the 1960s? Explain the importance of these developments.
- D. What type of approach to environmental policy do you think is the most effective? Explain why.