Questions based on the Berck and Helfand (B&H) chapter 18 (you may skip from the section entitled “The interest rate and opportunity cost” on p. 722 to “Regulating Renewable Resources” on p. 734)

1. What happened to the North Sea Herring fishery?

2. What is meant by a renewable resource? Give an example that is not mentioned in the book.

3. Using Figure 18.1, suppose that the stock at the beginning of the year was 2.8 mmt. What is the predicted growth and what would be the stock the following year?

4. What is meant by the term “sustainable yield”?

5. What characteristic of efficient private property rights is not satisfied under the conditions of open access?

6. What is the difference between common property and open access?
7. Looking at figure 18.3, why does the curve go down for effort in excess of 13.2 boa-years?

8. Based on figure 18.4., if 13.2 boat years were operating year after year in the fishery, approximately how much money would the fishery make in profits each year?

9. How is an ITQ like NutrientNet?

10. What’s the current state of the North Sea Herring fishery?