Assignment 6

The due date for submitting this assignment has passed. Due on 2018-03-07, 23:59 IST.

Submitted assignment

1) Water Utilities operating as monolith entity:

- a) Has same owner, operator and regulator
- b) Generally lacks in transparency in policy making and tariff setting processes
- c) Both, a and b
- d) None of the above

No, the answer is incorrect.
Score: 0
Accepted Answers:
c) Both, a and b

2) An independent regulator should set water tariffs based on:

- a) Operator’s estimate of costs and tariffs
- b) Feedback and inputs from other stakeholders including users
- c) Considering cost and recovery from the past for any “True Up”
- d) All of the above

No, the answer is incorrect.
Score: 0
Accepted Answers:
d) All of the above

3) The cost of producing one more unit of output keeping capacity constant is referred as:

- a) Average cost
- b) Short-run Marginal Cost
- c) Long-run Marginal Cost
- d) Marginal shadow cost

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5) For capex intensive water services, the most financially sustainable pricing approach would be: 2 points
   a) Average cost pricing
   b) Long-run Marginal Cost pricing
   c) Short-run Marginal Cost pricing
   d) Average cost plus marginal cost pricing

   No, the answer is incorrect.
   Score: 0
   Accepted Answers:
   b) Long-run Marginal Cost pricing

6) From an economic viewpoint, the total cost of supply of water is primarily driven by: 2 points
   a) The capital cost of the infrastructure
   b) The operation and maintenance cost
   c) The externalities
   d) All of the above

   No, the answer is incorrect.
   Score: 0
   Accepted Answers:
   d) All of the above

7) In a cross-subsidized tariff structure 2 points
   a) Some consumers are charged at less than cost and government bears the additional cost to services
   b) Some consumers are charged at less than cost while others are charged at higher than cost to recover the cost of services
   c) All consumers are charged at less than cost and government bears the additional cost to services
   d) All consumers are charged at equal to cost and government don’t provide financial support to services

   No, the answer is incorrect.
   Score: 0
   Accepted Answers:
   b) Some consumers are charged at less than cost while others are charged at higher than cost to recover the cost of services

8) The eligibility criteria for subsidies in municipal water supply should be: 2 points
   a) Low income group users to promote affordability
   b) Government employs
   c) People residing in water stressed regions
9) Universal metering for water supply services is advisable:  
   a) Always  
   b) Never  
   c) Only if it can decrease in consumption or generate higher revenue through water charges.  
   d) Only if customers agree to pay the charges of installing meters  
   
   No, the answer is incorrect.  
   Accepted Answers:  
   c) Only if it can decrease in consumption or generate higher revenue through water charges.

10) The basis for policy of seasonal rates in water pricing include:  
   a) Seasonal fluctuations in demand and availability of water  
   b) Seasonal fluctuations in earning of households  
   c) Seasonal fluctuations in temperature and climatic conditions  
   d) Seasonal fluctuations in social and political status  
   
   No, the answer is incorrect.  
   Accepted Answers:  
   a) Seasonal fluctuations in demand and availability of water