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6 SEM TDC DSE ECO (CBCS) 2 (H)

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(June/July)

ECONOMICS

(Discipline Specific Elective)

(For Honours)

Paper : DSE-2

(**Environmental Economics**)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. Choose the correct answer/Answer the following : 1×8=8

(a) The environmental Kuznets curve postulates

(i) an inverted U relationship between any pollutant and per capita income

(2)

- (ii) proportional relationship between any pollutant and per capita income
 - (iii) a U relationship between any pollutant and per capita income
 - (iv) None of the above
- (b) Which one of the following is not a source of market failure?
- (i) Public goods
 - (ii) Product is both rival and excludable
 - (iii) Presence of externalities
 - (iv) Asymmetric information
- (c) The optimum level of economic activity and associated pollution from society's point of view occur where
- (i) marginal private benefit = marginal private cost
 - (ii) marginal social benefit = marginal social cost
 - (iii) marginal social benefit = zero
 - (iv) None of the above
- (d) Interdependence between living organisms and environment is called
- (i) ecology

(3)

- (ii) economy
 - (iii) environment
 - (iv) None of the above
- (e) Environmental quality is a
- (i) private good
 - (ii) public good
 - (iii) merit good
 - (iv) None of the above
- (f) Write the Brundtland Commission's definition of sustainable development.
- (g) Kyoto Protocol is associated with
- (i) reduction of greenhouse gases
 - (ii) carbon trading
 - (iii) Both (i) and (ii)
 - (iv) Neither (i) nor (ii)
- (h) The compound responsible for causing ozone layer depletion is
- (i) CO₂
 - (ii) methane
 - (iii) nitrous oxide
 - (iv) CFCs

(4)

2. Write short notes on any four of the following : $4 \times 4 = 16$

- (a) Difference between social cost and private cost
- (b) Common property resources
- (c) Externalities and its types with suitable examples
- (d) Strong and weak sustainabilities
- (e) Pollution haven hypothesis
- (f) Non-market values

3. (a) Explain the relationship between environmental economics and resource economics. Discuss the evolution of environmental economics as a subject. $6+6=12$

Or

(b) Discuss critically the environment-economy interlinkages with the help of a flow diagram. 12

4. (a) Discuss the role of property rights in relation to the Coase theorem. What are the limitations of the theorem? $8+3=11$

(5)

Or

(b) Define market failure. What are the causes of market failure? What possible interventions could make a market economy perform better? $2+6+3=11$

5. (a) Discuss the various indicators of measuring sustainability. 11

Or

(b) Explain briefly the economic instruments of environmental policies. What are the advantages and disadvantages of this method? $5+6=11$

6. (a) Explain the major global environmental problems. Suggest a few practical solutions to the existing problems. $8+3=11$

Or

(b) What is climate change? How are human activities responsible for global climate change? Explain briefly the impacts of climate change on the environment. $2+4+5=11$

(6)

7. (a) Explain the contingent valuation method of valuing environment. What are its limitations? 8+3=11

Or

- (b) Explain the travel cost method of valuing environment. What are its limitations? 8+3=11
