

**MA ECONOMICS
FOURTH SEMESTER
ECONOMICS OF ENVIRONMENT
MEC-404**

Duration : 3 hrs.

Full Marks: 70

Time : 20 min.

(PART-A: Objective)

Marks : 20

Choose the correct answer from the following:

1X20=20

1. The environment Kuznets curve is -
 - a. Inverted U shape
 - b. Related to trade and environment
 - c. Related to deforestation
 - d. All of the above
2. Global benefits of reducing deforestation accounts for reasons -
 - a. Greenhouse gas emission
 - b. Biodiversity store
 - c. Both a and b
 - d. None of the above
3. UNFF resolutions on forestry includes-
 - a. Sustainable forest management
 - b. To achieve MDG
 - c. International cooperation
 - d. All of the above
4. REDD+ is all about of_
 - a. Enhancement of forest carbon stock
 - b. Food security
 - c. Control of air pollution
 - d. None of the above
5. Which items from list below is a positive externality?
 - a. Public Immunization.
 - b. Traffic jams.
 - c. A neighbor's barking dog.
 - d. All of the above
6. Kyoto Protocol dealt about_
 - a. Greenhouse gas
 - b. Carbon sinks
 - c. Emission trading
 - d. All of them
7. Kyoto protocol failed because----
 - a. Developing nations not agreed to terms
 - b. Developed nations were not ready to compensate the LDC's
 - c. Both a and b correct
 - d. Cannot say
8. Pollution heavens are
 - a. Developed countries
 - b. EU countries
 - c. Developing countries
 - d. Countries having no strict environmental regulations
9. What kind of market failure is it, if a company producing medicines also pollutes the air?
 - a. Asymmetric Information.
 - b. Monopolies.
 - c. Negative Externality.
 - d. Open access property problem

10. Measurement of sustainability includes_
 - a. Green NNP
 - b. Genuine saving
 - c. Ecological footprints
 - d. All of the above
11. Causes of market failure are_
 - a. Not well defined property rights
 - b. Common property
 - c. Asymmetric information
 - d. All of the above
12. A well defined property right is_
 - a. Exclusive
 - b. Transferable
 - c. Secure
 - d. All of the above
13. Pure public good is_
 - a. Non excludable only
 - b. Non rival only
 - c. Both non excludable and non rival
 - d. Either non excludable and non rival but not both
14. Optimal level of output public good is known as_
 - a. Lindahls equilibrium
 - b. Pareto Efficiency
 - c. Pareto optimality
 - d. None of these
15. "Property rights" is the underlying principle of _
 - a. Benefit cost theory
 - b. Coase theorem
 - c. Hotellings theory
 - d. Lindahls equilibrium
16. Which method says that "price of a good as a function of certain characteristics of good" -
 - a. Hedonic pricing
 - b. CVM
 - c. CBA
 - d. None of the above
17. Open access and common property resources-
 - a. Are same
 - b. Are not same
 - c. Cannot differentiate
 - d. Are country specific
18. A major limit on the likelihood of attaining multilateral agreements on implementing solutions to global warming and ozone depletion is-
 - a. free riding by nations
 - b. lack of enforcement
 - c. both a and b are correct
 - d. poverty in poor countries
19. Which of the following answers applies to renewable natural resources?
 - a. Once the renewable natural resource is used , is gone forever.
 - b. It can be replenished.
 - c. These are costly to extract.
 - d. It can be, harvested at any rate without harming future supplies.
20. What is the primary difference between renewable resources and nonrenewable resources?
 - a. How easily they are discovered.
 - b. How fast they are being used up
 - c. The length of time it takes for them to be replenished
 - d. None of the above

[PART-B : Descriptive]

Time: 2 HRS 40 MINS

Marks : 50

[Answer question no.(1) & any four (4) from the rest]

1. Critically explain the cost benefit approach of environmental valuation. 10
2. Explain Coase theorem of environment. Explain its criticisms. 8+2=10
3. Is there any evidence for an environmental Kuznets curve for forestry? Explain. 10
4. Explain scale effect, composition effect and technique effects of trade liberalisation with suitable diagram. 10
5. A) Explain environmental Kuznets curve. 5+5=10
B) How effective are international policies in reducing deforestation?
6. Describe the major economic benefits of reducing climate change risk. 10
7. Critically explain the Contingent Valuation Method of environmental valuation. 10
8. Critically explain the Travel cost method of environmental valuation. 10

= = *** = =