2023/08

MA ECONOMICS FOURTH SEMESTER [SPECIAL REPEAT] ECONOMICS OF ENVIRONMENT

MEC – 404



[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

Objective

Marks: 20

Choose the correct answer from the following:

 $1 \times 20 = 20$

1. Causes of market failure are_

a. Not well defined property rights

b. Common property

c. Asymmetric information

d. All of the above

A well defined property right is_

a. Exclusive

b. Transferable

c. Secure

d. All of the above

3. 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

4. Optimal level of output public good is known as_

a. Lindahls equilibrium

b. Pareto Efficiency

c. Pareto optimality

d. None of these

5. "Property rights" is the underlying principle of _

a. Benefit cost theory

b. Coase theorem

c. Hotellings theory

d. Lindahls equilibrium

 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

7. Open access and common property resources-

a. Are same

b. Are not same

c. Cannot differentiate

d. Are country specific

8. 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

9. Which of the following answers applies to renewable natural resources?

a. Once the renewable natural resource is b. It can be replenished. used, is gone forever.

[1]

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	c. These are costly to extract.	d.	It can be, harvested at any rate without harming future supplies.
10.	What is the primary difference between renewable resources and nonrenewable resources?		
	 How easily they are discovered. 	b.	How fast they are being used up
	 The length of time it takes for them to be replenished 	d.	None of the above
11.	The environment Kuznets curve is -		
	a. Inverted U shape	b.	Related to trade and environment
	c. Related to deforestation	d.	All of the above
12.	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
13.	UNFF resolutions on forestry includes-		
	 Sustainable forest management 	b.	To achieve MDG
	c. International cooperation	d.	All of the above
14.	REDD+ is all about of_		
	a. Enhancement of forest carbon stock		Food security
	c. Control of air pollution	d.	None of the above
15.	Which items from list below is a positive externality?		
	a. Public Immunization.		Traffic jams.
	c. A neighbor's barking dog.	d.	All of the above
16.	Kyoto Protocol dealt about_		
	a. Greenhouse gas	b.	Carbon sinks
	c. Emission trading	d.	All of them
17.	Kyoto protocol failed because		
	a. Developing nations not agreed to	b.	Developed nations were not ready to
	terms		compensate the LDC's
	c. Both a and b correct	d.	Cannot say
18.	Pollution heavens are		
	a. Developed countries	b.	EU countries
	 Developing countries 	d.	Countries having no strict
			environmental regulations
19.	What kind of market failure is it, if a company producing medicines also pollutes the air?		
	a. Asymmetric Information.	b.	Monopolies.
	c. Negative Externality.		Open access property problem
20.	Measurement of sustainability includes_		
	a. Green NNP	b.	Genuine saving
	c. Ecological footprints		All of the above

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(<u>Descriptive</u>)

Marks: 50 Time: 2 Hr. 30 Mins. [Answer question no.1 & any four (4) from the rest] 1. Explain Coase theorem of environment. Explain its criticisms. 8+2=10 Explain scale effect, composition effect and technique effects of trade 10 liberalization with suitable diagram. 3. Describe the major economic benefits of reducing climate change risk. 10 Critically explain the Travel cost method of environmental valuation. 10 5. Critically explain the cost benefit approach of environmental valuation. 10 Is there any evidence for an environmental Kuznets curve for forestry? 6. 10 Explain. a) Explain environmental Kuznets curve.. 5+5=10 How effective are international policies in reducing deforestation? 8. Critically explain the Contingent Valuation Method of environmental 10 valuation.