

MA ECONOMICS
FOURTH SEMESTER [SPECIAL REPEAT]
ECONOMICS OF ENVIRONMENT
MEC – 404

**SET
A**

[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 × 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
2. 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
6. 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 used, is gone forever.
 - b. It can be replenished.

(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

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

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

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