

MA ECONOMICS
FOURTH SEMESTER
ECONOMICS OF ENVIRONMENT
MEC – 404

**SET
B**

[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. The Namami Ganga project was implemented after the failure of
 - a. Ganga action Plan
 - b. Ganga safai Abhiyan
 - c. Ganga Pradushan Mukta Plan
 - d. Pavitra Ganga Plan
2. Who among the following economist treated nature to be niggardly?
 - a. J.S. Mill
 - b. Thomas Robert Malthus
 - c. Karl Marx
 - d. Adam Smith
3. Which of the component of micro economics is borrowed to environment economics?
 - a. Pareto optimality and market efficiency
 - b. Externality
 - c. Both a and b
 - d. WTP
4. In India,diseases can be traced to drinking polluted water.
 - a. 50%
 - b. 60%
 - c. 80%
 - d. 75%
5. Voting fails to generate the efficient quantity of a public good because
 - a. Voting does not accurately reflect the magnitude of benefits from public goods
 - b. Lobbying groups uses bribes to change people's vote
 - c. Public goods are not depleted by consumption
 - d. Public goods cannot be withheld from consumption
6. Causes of market failure are_
 - a. Not well defined property rights
 - b. Common property
 - c. Asymmetric information
 - d. All of the above
7. A well defined property right is_
 - a. Exclusive
 - b. Transferable
 - c. Secure
 - d. All of the above
8. The common measures to overcome market failure is/are
 - a. Taxes on negative externality
 - b. Pollution permit
 - c. Laws and regulations
 - d. All of these
9. Reasons for market failures is/are:
 - a. Underproduction of merit goods
 - b. Overproduction of demerit goods
 - c. Both a and b are correct
 - d. Advertising

10. Benefits of low accident rates due to good road construction project is an example of ;
 - a. Tangible benefit
 - b. Intangible benefit
 - c. Both a and b are correct
 - d. None of the above
11. Hedonic Price method measures the value of environmental assets through
 - a. Using existence of an environmental asset
 - b. Using linkages between variation of housing prices
 - c. Using WTP to value environmental assets
 - d. Using WTA to value environmental assets
12. Which of the following is correct about CVM?
 - a. It is used only for pollutants
 - b. It is used only for items with positive utilities
 - c. It is used for items under market failure
 - d. It is used only for natural resources
13. "The problem of externality can be internalize without government intervention" who amongst the following advocated the above line
 - a. Adam Smith
 - b. N Hardin
 - c. R Coase
 - d. Julian Simon
14. The government levying taxes on polluters means-
 - a. Internalization of negative spill over effects
 - b. Marginal abatement cost
 - c. Examples of free rider
 - d. Examples of Coase's theorem
15. Which one of the following statement is correct about global warming?
 - a. It is another term for greenhouse effect
 - b. It is entirely natural phenomenon
 - c. It means melting down of glaciers
 - d. Rise in average temperature at earth's surface
16. The assumptions of Coase Theorem is/are:
 - a. Number of parties to a contract is small
 - b. Transaction cost is zero
 - c. No government intervention
 - d. All of the above
17. The environment Kuznets curve is -
 - a. Inverted U shape
 - b. Related to trade and environment
 - c. Related to deforestation
 - d. All of the above
18. 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
19. Kyoto Protocol dealt about_
 - a. Greenhouse gas
 - b. Carbon sinks
 - c. Emission trading
 - d. All of them
20. Which of the following is not included in the category of bio-fuels?
 - a. Bio-Diesel
 - b. Gobar gas
 - c. Bio-ethanol
 - d. Compressed natural gas

(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

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

1. Explain Coase theorem of environment. Explain its criticisms. 8+2=10
2. Critically explain the cost benefit approach of environmental valuation. 10
3. Explain scale effect, composition effect and technique effects of trade liberalisation with suitable diagram. 10
4. Explain Contingent Valuation Method of Environmental valuation. Also mention its limitation. 8+2=10
5. Explain Hedonic Pricing Method of Environmental valuation. Also mention its limitation. 8+2=10
6. Critically explain the Travel cost approach of environmental valuation. 8+2=10
7. Explain the economic theories of deforestation with suitable diagram. 10
8. Explain the major initiative taken by the Central Government of India in protecting the environment in the recent budget. 5×2=10

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