

MA ECONOMICS
FOURTH SEMESTER
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

- Hedonic Price method measures the value of environmental assets through
 - Using existence of an environmental asset
 - Using linkages between variation of in housing prices
 - Using WTP to value environmental assets
 - Using WTA to value environmental assets
- Which of the following is correct about CVM?
 - It is used only for pollutants
 - It is used only for items with positive utilities
 - It is used for items under market failure
 - It is used only for natural resources
- "The problem of externality can be internalize without government intervention" who amongst the following advocated the above line
 - Adam Smith
 - N Hardin
 - R Coase
 - Julian Simon
- The government levying taxes on polluters means-
 - Internalization of negative spill over effects
 - Marginal abatement cost
 - Examples of free rider
 - Examples of Coase's theorem
- Which one of the following statement is correct about global warming?
 - It is another term for greenhouse effect
 - It is entirely natural phenomenon
 - It means melting down of glaciers
 - Rise in average temperature at earth's surface
- The assumptions of Coase Theorem is/are:
 - Number of parties to a contract is small
 - Transaction cost is zero
 - No government intervention
 - All of the above
- The environment Kuznets curve is -
 - Inverted U shape
 - Related to trade and environment
 - Related to deforestation
 - All of the above

8. Global benefits of reducing deforestation accounts for reasons -
- Greenhouse gas emission
 - Biodiversity store
 - Both a and b
 - None of the above
9. Kyoto Protocol dealt about_
- Greenhouse gas
 - Carbon sinks
 - Emission trading
 - All of them
10. Which of the following is not included in the category of bio-fuels?
- Bio-Diesel
 - Gobar gas
 - Bio-ethanol
 - Compressed natural gas
11. The Namami Ganga project was implemented after the failure of
- Ganga action Plan
 - Ganga safai Abhiyan
 - Ganga Pradushan Mukta Plan
 - Pavitra Ganga Plan
12. Who among the following economist treated nature to be niggardly?
- J.S. Mill
 - Thomas Robert Malthus
 - Karl Marx
 - Adam Smith
13. Which of the component of micro economics is borrowed to environment economics?
- Pareto optimality and market efficiency
 - Externality
 - Both a and b
 - WTP
14. In India,.....diseases can be traced to drinking polluted water.
- 50%
 - 60%
 - 80%
 - 75%
15. Voting fails to generate the efficient quantity of a public good because
- Voting does not accurately reflect the magnitude of benefits from public goods
 - Lobbying groups uses bribes to change people's vote
 - Public goods are not depleted by consumption
 - Public goods cannot be withheld from consumption
16. Causes of market failure are_
- Not well defined property rights
 - Common property
 - Asymmetric information
 - All of the above
17. A well defined property right is_
- Exclusive
 - Transferable
 - Secure
 - All of the above
18. The common measures to overcome market failure is/are
- Taxes on negative externality
 - Pollution permit
 - Laws and regulations
 - All of these
19. Reasons for market failures is/are:
- Underproduction of merit goods
 - Overproduction of demerit goods
 - Both a and b are correct
 - Advertising

20. 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

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(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. 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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