

MA ECONOMICS
Third Semester
ENVIRONMENTAL ECONOMICS (MDC)
(MEC – 306)

Duration: 3Hrs.

Full Marks: 70

Part-A (Objective) =20
Part-B (Descriptive) =50

(PART-B: Descriptive)

Duration: 2 hrs. 40 mins.

Marks: 50

Answer any four from Question no. 2 to 8
Question no. 1 is compulsory.

1. What is environmental valuation? Explain the hedonic method of environmental valuation. (3+7=10)
2. Define the term food security. Give a brief description of the four pillars of food security. (2+8=10)
3. Define the term deforestation. What are the measures adopted by the government to address to the problem of deforestation? (3+7=10)
4. What is carbon sequestered? Explain the working of Kyoto protocol. (4+6=10)
5. What is market failure? What are the reasons of market failure? (2+8=10)
6. Explain the Pareto optimality theory. (10)
7. Write a note on: (1) Free rider problem and (2) Tragedy of common. (5+5=10)
8. Define the term Sustainability. What are the components of sustainability? (3+7=10)

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Duration: 20 minutes

Marks – 20

(PART A - Objective Type)

I. Choose the correct answer:

1×20=20

1. Market failure occurs when there is
 - a. Externality
 - b. Common resource
 - c. Asymmetric information
 - d. All the above
2. For Positive externality Pigou suggested
 - a. Subsidies
 - b. Tax
 - c. Both
 - d. Fees
3. If the property right is clearly defined and there is no transaction cost then negative then the one creating externality can be made liable, who said this?
 - a. Pigou
 - b. Coase
 - c. Akerlof
 - d. Harding
4. The National Green Tribunal was established in
 - a. 18/10/2010
 - b. 18/8/2010
 - c. 18/11/2010
 - d. 18/5/2010
5. The desire to preserve the environmental value for some relative, friend or the future generation is termed as
 - a. Pure existence
 - b. Bequest value
 - c. Non-use value
 - d. Option value

6. The pricing of a product based on the environmental attribute associated with the product is known as
 - a. Travel cost method
 - b. Contingent valuation method
 - c. Hedonic valuation method
 - d. Production function method
7. Willingness to pay gives the
 - a. The minimum amount the people are willing to pay for the preservation of environment.
 - b. The maximum amount the people are willing to pay for the preservation of environment.
 - c. Both (a) and (b).
 - d. It is the amount that the people are asked to pay by the government for the purpose of preserving the environment.
8. The most vulnerable section of people suffering from food insecurity are
 - a. Pregnant women
 - b. Nursing mother
 - c. Children under 5 years age
 - d. All the above
9. Among the following which one of the following is the most important problem of food security?
 - a. Food availability
 - b. Food accessibility
 - c. Food utilization
 - d. Intra-house distribution of food.
10. Sustainability is related only with the
 - a. Future generation
 - b. Present generation
 - c. Both
 - d. None
11. Education and health comes under which component of sustainability?
 - a. Economic
 - b. Social
 - c. Environmental
 - d. All the above
12. The process which identify, anticipates and satisfied the requirement of the customer in a profitable and sustainable manner is
 - a. Perfect market
 - b. Green market
 - c. Efficient market
 - d. None of the above

13. Under Kyoto protocol one permit of emission is equal to
- 5 ton of carbon dioxide
 - 10 ton of carbon dioxide
 - 1 ton of carbon dioxide
 - 1.5 ton of carbon dioxide
14. Contingent valuation method have been criticised on the ground of
- Hypothetical market
 - Expensive
 - Time consuming
 - All the above
15. Which of the following include environment as an input in production?
- Environmental impact assessment
 - Risk assessment
 - Production function method
 - Hedonic price method
16. Free rider problem is associated with
- Private good
 - Common resource
 - Public good
 - Renewable resource
17. Which of the following good have the characteristic of rivalry and excludability?
- Public good
 - Private good
 - Common resource
 - Solar energy
18. Carbon bank treats carbon in a similar way as the industrialist treat the
- Labour
 - Raw-material
 - Capital
 - Organization
19. The Joint Forest Management was established in
- a. 1992 b. 1993 c. 1990 d. 1991
20. In case of "permit and pollute" which of the following is true?
- The industries have the freedom in using the permits in a flexible manner.
 - The industries do not have the freedom in using the permits in a flexible manner.
 - Some external body decide on the use of the permit.
 - The government only decide on the use of the permits.
