MA ECONOMICS
THIRD SEMESTER
ECONOMICS OF ENVIRONMENT & SOCIAL SECTOR-I
MEC-305 C

Duration: 3 Hrs.   Marks: 70

PART : A (OBJECTIVE) = 20
PART : B (DESCRIPTIVE) = 50

[PART-B : Descriptive]

Duration: 2 Hrs. 40 Mins.   Marks: 50

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

1. What is market failure? Explain the various reasons of market failure in case of environmental goods. (2+8=10)

2. Explain the concept of Lindahl equilibrium; do they satisfy the condition of Pareto Optimal? (5+5=10)

3. What are the adjustments needed to be made to make the NNP a green NNP? Explain. (10)

4. What are WTP and WTA? Explain the choice experiments valuation of environment. (2+8=10)

5. Explain the concept of Sustainability. What is the difference between weak sustainability and strong sustainability? (8+2=10)

6. Explain how discounting of cost and benefit is done in Cost-Benefit analysis, taking into account the time value of money. (10)

7. What is the different between tax and subsidy? Does double dividend exist with green tax? (4+6=10)

8. Explain the Environmental Kuznets Curve. How can a developing country tunnel through the Environmental Kuznets Curve? (6+4=10)

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[PART-A : Objective]

Choose the correct answer from the following: 1×20=20

1. Which of the following is correct relating to green tax?
   a. Small amount of revenue.
   b. Increase the cost of living.
   c. Small change in behavior.
   d. All the above.

2. Equilibrium occurs when the per-unit price paid by each agent sums to the total per unit cost of public good:
   a. Pigovian tax
   b. Coasean solution
   c. Lindahl pricing
   d. None of the above

3. The present value of cost or benefit are discounted because of:
   a. Cost effect.
   b. Demand effect.
   c. Supply effect.
   d. Time effect.

4. A project is passed if it bring an improvement in social welfare when:
   a. NPV>0
   b. NPV<0
   c. NPV=0
   d. NPV≥0

5. The means by which the respondents pay in the hypothetical market is called:
   a. Bid price.
   b. Bid vehicle.
   c. Bid curve.
   d. Implicit price.

6. Under HPM valuation method public transportation links comes under:
   a. Site characteristics.
   b. Neighbourhood characteristics.
   c. Environmental characteristics.
   d. None of the above.

7. The value of travel time is calculated in terms of:
   a. Opportunity cost.
   b. Number of visit to the site.
   c. Consumer surplus.
   d. Substitute sites.

8. Are you willing to pay a 2% as a surcharge on your taxes for improving the water quality in your local river, this is a:
   a. Open ended format.
   b. Dichotomous choice format.
   c. Double- bounded Dichotomous choice format.
   d. Willingness to pay.

9. Breaking up the value of an environmental good into bundles of attributes is associated with:
   a. Contingent valuation.
   b. Choice Experiments.
   c. Hedonic pricing methods.
   d. Travel cost methods.

10. Dose- response model is associated with:
    a. Benefit transfer.
    b. Cost-benefit analysis.
    c. Risk assessment methods.
    d. Production-function approaches.

11. The total capital stock K , where K=(kn+kp+kh+ks) to be non-declining is related to:
    a. Strong sustainability.
    b. Social sustainability.
    c. Weak sustainability.
    d. Shadow price.

12. Safe operating space is associated with:
    a. Heal (2012).
    b. UN (2000).
    c. Earth Summit Rio (1992).
    d. Rockstrom (2009).

13. If ecological footprint is positive it indicates:
    a. Sustainability.
    b. Non-sustainability.
    c. It is not related to sustainability.
    d. More information required.

14. Expenditure on education is _____to/by NNS to get Genuine saving.
    a. Subtracted   b. Multiplied
    c. Added   d. Divided

15. Impure public good are:
    a. Both excludable and rival.
    b. Only excludable.
    c. Only non-rival.
    d. Either non-excludable or non-rival.

16. The problem with public good market is:
    a. Tragedy of common.
    b. Free riding.
    c. Prisoner's dilemma.
    d. Club financing.

17. Contingent valuation survey can be carried out:
    a. By mail.
    b. Telephone.
    c. Face to face interview.
    d. All the above.

18. $V=\alpha+\beta_1 X_1+\beta_2 X_2+\ldots\beta_n X_n +\beta_c C$ In this equation of Choice experiment method value β shows the:
    a. Price change.
    b. Cost change.
    c. Profit change.
    d. Utility change.

19. The more substitute sites a particular site have:
    a. The greater will be the probability to visit that particular site.
    b. The lower will be the probability to visit that particular site.
    c. Number of visit will depend of visitor's consumer surplus.
    d. Number of visit will depend of visitor's value of time.

20. The degree of corruption level can be measured by:
    a. Natural capital.
    b. Social capital.
    c. Produced capital.
    d. Human capital.

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UNIVERSITY OF SCIENCE & TECHNOLOGY, MEGHALAYA

[PART (A) : OBJECTIVE]

Duration : 20 Minutes

Course : _____

Semester : _____   Roll No : _____

Enrollment No : _____   Course code : _____

Course Title : _____

Session : _____ 2017-18 _____   Date : _____

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Instructions / Guidelines

➤ The paper contains twenty (20) / ten (10) questions.

➤ Students shall tick (✓) the correct answer.

➤ No marks shall be given for overwrite / erasing.

➤ Students have to submit the Objective Part (Part–A) to the invigilator just after completion of the allotted time from the starting of examination.

Full Marks	Marks Obtained
20	

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Scrutinizer's Signature   *Examiner's Signature*   *Invigilator's Signature*