

Total No. of Printed Pages—6

**6 SEM TDC DSE ECO (CBCS) 2 (H)**

**2 0 2 2**

( June/July )

**ECONOMICS**

( Discipline Specific Elective )

( For Honours )

Paper : DSE-2

( **Environmental Economics** )

*Full Marks : 80*

*Pass Marks : 32*

*Time : 3 hours*

*The figures in the margin indicate full marks  
for the questions*

1. Choose the correct answer/Answer the following : 1×8=8
- (a) The environmental Kuznets curve postulates
- (i) an inverted U relationship between any pollutant and per capita income

- (ii) proportional relationship between any pollutant and per capita income
  - (iii) a U relationship between any pollutant and per capita income
  - (iv) None of the above
- (b) Which one of the following is not a source of market failure?
- (i) Public goods
  - (ii) Product is both rival and excludable
  - (iii) Presence of externalities
  - (iv) Asymmetric information
- (c) The optimum level of economic activity and associated pollution from society's point of view occur where
- (i) marginal private benefit = marginal private cost
  - (ii) marginal social benefit = marginal social cost
  - (iii) marginal social benefit = zero
  - (iv) None of the above
- (d) Interdependence between living organisms and environment is called
- (i) ecology

- (ii) economy
  - (iii) environment
  - (iv) None of the above
- (e) Environmental quality is a
- (i) private good
  - (ii) public good
  - (iii) merit good
  - (iv) None of the above
- (f) Write the Brundtland Commission's definition of sustainable development.
- (g) Kyoto Protocol is associated with
- (i) reduction of greenhouse gases
  - (ii) carbon trading
  - (iii) Both (i) and (ii)
  - (iv) Neither (i) nor (ii)
- (h) The compound responsible for causing ozone layer depletion is
- (i) CO<sub>2</sub>
  - (ii) methane
  - (iii) nitrous oxide
  - (iv) CFCs

2. Write short notes on any *four* of the following : 4×4=16

(a) Difference between social cost and private cost

(b) Common property resources

(c) Externalities and its types with suitable examples

(d) Strong and weak sustainabilities

(e) Pollution haven hypothesis

(f) Non-market values

3. (a) Explain the relationship between environmental economics and resource economics. Discuss the evolution of environmental economics as a subject. 6+6=12

Or

(b) Discuss critically the environment-economy interlinkages with the help of a flow diagram. 12

4. (a) Discuss the role of property rights in relation to the Coase theorem. What are the limitations of the theorem? 8+3=11

Or

- (b) Define market failure. What are the causes of market failure? What possible interventions could make a market economy perform better?  $2+6+3=11$

5. (a) Discuss the various indicators of measuring sustainability. 11

Or

- (b) Explain briefly the economic instruments of environmental policies. What are the advantages and disadvantages of this method?  $5+6=11$

6. (a) Explain the major global environmental problems. Suggest a few practical solutions to the existing problems.  $8+3=11$

Or

- (b) What is climate change? How are human activities responsible for global climate change? Explain briefly the impacts of climate change on the environment.  $2+4+5=11$

7. (a) Explain the contingent valuation method of valuing environment. What are its limitations? 8+3=11

Or

(b) Explain the travel cost method of valuing environment. What are its limitations? 8+3=11

\*\*\*