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

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(May)

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*

Choose the correct answer/Answer the following : 1×8=8

- (a) Private goods are ____ in use and consumption.
- (i) both excludable and rival
 - (ii) neither excludable nor rival
 - (iii) rival but not excludable
 - (iv) None of the above

(2)

- (b) Reduced risk of infectious and communicable disease from vaccination is an example of
- (i) private good
 - (ii) public good
 - (iii) common resources
 - (iv) None of the above
- (c) A person who receives the benefit of a good, say clean drainage system, but avoids paying for it is called a
- (i) customer
 - (ii) free rider
 - (iii) beneficiary
 - (iv) None of the above
- (d) The socially and environmentally optimal level of output is _____ the market equilibrium output.
- (i) less than
 - (ii) more than
 - (iii) equal to
 - (iv) None of the above

(3)

- (e) Mention one measure of sustainability.
- (f) Name one market-based economic instrument to control environmental problems.
- (g) Global warming can be sourced to
- (i) greenhouse gas effect
 - (ii) ozone layer depletion
 - (iii) enhanced greenhouse gas effect
 - (iv) None of the above
- (h) Which of the following is an example of global intervention for sustainable development?
- (i) The United Nations Conference on Environment (1972)
 - (ii) The Kyoto Protocol
 - (iii) The Earth Summit (Rio de Janeiro, 1992)
 - (iv) All of the above

(4)

2. Write short notes on any four of the following : $4 \times 4 = 16$

- (a) Resource economics
- (b) Private and social cost
- (c) Measurement of sustainable development
- (d) Pollution haven hypothesis
- (e) Environmental valuation

3. (a) Discuss the environment and development trade-off and the interlinkages between them. In your opinion, how can we resolve the growth vs. sustainable development challenges? $8 + 4 = 12$

Or

(b) Explain what are private goods, public goods and common property resources. What are the similarities or common features of public goods and common property resources? $8 + 4 = 12$

4. (a) What is Pareto optimality? How does the market fail in the presence of externalities? Explain. $4 + 7 = 11$

(5)

Or

(b) Define externality. Explain the types of externalities with the help of suitable examples. Discuss environmental pollution as negative externality. $2 + 5 + 4 = 11$

5. (a) What is sustainable development? Discuss the notions of strong and weak sustainability. $5 + 6 = 11$

Or

(b) Explain the following : $4 + 4 + 3 = 11$

(i) Pigouvian taxes

(ii) Tradable permits

(iii) Liability rule

6. (a) Discuss the major global interventions for sustainable development undertaken during the last 5 decades or so. Do you think that the latest developments in the fight against climate change are sufficient to address the global environmental problems? Explain. $8 + 3 = 11$

(6)

Or

- (b) Explain the nature and extent of the trans-boundary environmental problems. Discuss how these problems will affect the livelihood and habitat of people living in developing countries. Give examples.

7+4=11

7. (a) Distinguish between the contingent valuation method and travel cost method of valuing environment with suitable examples.

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Or

- (b) Explain the advantages and disadvantages of the contingent valuation method and travel cost method of valuing environment. In your opinion, which method is suitable in the context of developing economics? Give reasons.

8+3=11
