

Total number of printed pages-7

**63/1 (SEM-6) DSE4/ECOHE6046**

**2024**

**ECONOMICS**

Paper : ECOHE6046

**(Environmental Economics)**

Full Marks : 80

Pass Marks : 32

Time : Three hours

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

1. Choose the correct options from the following: **(any six)** 1×6=6
- (a) Free riding refers to
- (i) Enjoying a resource without paying for it
  - (ii) Non-rivalry consumption
  - (iii) Willingness to pay for consumption
  - (iv) Use of common property resources

(b) Which of the following is not a source of market failure ?

- (i) Public good
- (ii) Private good
- (iii) Presence of externalities
- (iv) Asymmetric information

(c) Under a system of marketable pollution permits

- (i) The firms have right to unlimited pollution.
- (ii) Pollution will increase
- (iii) The government is not involved
- (iv) The firms can buy and sell the right to pollute

(d) Which of the following is the example of positive externality ?

- (i) Public immunization
- (ii) Traffic jams
- (iii) Increase corporate taxes
- (iv) Issuing extra permits for pollution

(e) Which of the following is public good?

- (i) Military and police
- (ii) Used car market
- (iii) Insurance from private company
- (iv) Mobile network

(f) Which of the following is not an example of trans-boundary environmental problems ?

- (i) Climate change
- (ii) Acid rain
- (iii) Soil pollution
- (iv) Marine pollution

(g) 'Common pool resources' refer to

- (i) Goods that are non-excludable but rival
- (ii) Goods that are both excludable and rival
- (iii) Goods that are non-rival and non-excludable
- (iv) Goods that are non-excludable but non-rival

(h) The Forest Right Act was introduced in

(i) 2006

(ii) 2005

(iii) 2004

(iv) 2010

2. Answer the following questions : **(any five)**

2×5=10

(a) What is strong sustainability ?

(b) What is ecological dumping ?

(c) Why does the market fail for environmental goods ?

(d) What is meant by 'green paradox' ?

(e) What is environmental economics ?

(f) Define Pareto optimality.

(g) What do you understand by green accounting ?

3. Answer the following questions : **(any six)**

5×6=30

(a) Write the consequences of global warming.

(b) Distinguish between positive and negative externalities.

(c) Explain the concept of tradable pollution permits.

(d) Do you consider environment as public good ? Justify your answer.

(e) Distinguish between 'Pollution Fee' and 'Pigouvian Tax'.

(f) How does a subsidy serve as economic incentives to control pollution ?

(g) Explain the main causes of climate change.

(h) State Hartwick's rule. What are its *two* limitations ?

(i) Explain the characteristics of well-defined property rights system.

(j) What are the *four* major dimensions of trans-boundary pollution ?

4. Answer the following questions : **(any two)**  
10×2=20

(a) Discuss the contingent valuation method (CVM) of evaluating the non-market environmental resources.

(b) Discuss how economy is interlinked with environment.

(c) Explain the various measures initiated for monitoring the implementation of environmental issues in India.

(d) What do you mean by sustainable development? Explain in brief the various indicators of sustainable development. 2+8=10

5. Answer the following questions : **(any one)**  
14×1=14

(a) Define externality. Explain how the externality leads to a market failure.  
2+12=14

(b) What are the market-based instruments for controlling pollution? Explain their merits and demerits. 10+2+2=14

(c) Outline the various environmental policies in India. Mention the various steps in implementation of environmental policy. 10+4=14

---

25/11

4.