

MA ECONOMICS
THIRD SEMESTER [SPECIAL REPEAT]
ENVIRONMENTAL ECONOMICS
MEC – 305 [MDC]

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

-deals with externalities and market failure, whereas,deals with interaction among ecosystem, economy and social systems.
 - Environmental economics, Ecological economics
 - Environmental economics, Natural resource economics
 - Ecological economics, Energy economics
 - Energy economics, Natural resource economics
- is referred to the amount that a consumer would pay for a hypothetical good.
 - Willingness to pay
 - Marginal benefit
 - Marginal cost
 - Marginal Value
- In case of negative externality, which of the following equation is valid?
 - Private benefit < Private cost
 - Private cost > Social cost
 - Private cost < Social cost
 - Private benefit = Private cost
- Common pool resources are characterized as:
 - Finite in supply but non-rival in nature
 - The user rights are shared among the community members
 - Due to large size or open access, they are costly and difficult to regulate
 - All of the above
- Which of the following concept can be employed as an alternative to the real cost of a commodity?
 - Opportunity cost
 - Marginal cost
 - WTP
 - None of the above
- Common pool resources are the.....
 - Public goods managed sustainably through municipality arrangements
 - Common goods managed sustainably through some social/institutional arrangements
 - Public goods which are commonly distributed in the society
 - Both a and c

7. Identify the incorrect match.
- | | |
|--|--|
| a. Public goods - non-rival and non-excludable | b. Private goods - rival and excludable |
| c. Common property resources - non-excludable within the community and non-rival | d. Club goods - non-rival and excludable |
8. What is true for the dominant strategy?
- | | |
|---|---|
| a. Dominant strategy's payoff is the equilibrium in the game theory. | b. The equilibrium achieved through the dominant strategy may or may not be consistent with the Pareto Optimality |
| c. Dominant strategy results in the highest payoffs to individuals and the group. | d. Both a and b |
9. Elinor Ostrom states that collective action problems in the case of common pool resources can be solved through
- | | |
|--|---|
| a. Institutional arrangement for governing the common pool resources. | b. External control over locally-owned common pool resources. |
| c. Bringing the common pool resources under the control of the central government. | d. Giving the governing rights to those individuals who are far from the common pool resources. |
10. Non-use value of ecosystem services comprises:
- | | |
|--------------------|---------------------|
| a. Option Value | b. Bequest value |
| c. Existence value | d. All of the Above |
11. Mediation of flows and maintenance of physical and biological conditions are ecosystem services.
- | | |
|-----------------|---------------|
| a. Provisioning | b. Cultural |
| c. Regulatory | d. Supporting |
12. Which of the following measures is/are valid for sustaining ecosystem services?
- | | |
|------------------------------------|----------------------------|
| a. Internalising the externalities | b. Community participation |
| c. Tradable pollution permits | d. All of the above |
13. The governance model of common pool resources must have and
- | | |
|---|--|
| a. Well-defined boundaries of rights; conflict resolution mechanism | b. Well-defined boundaries of rights; the multi-crop pattern |
| c. The multi-crop system; conflict resolution mechanism | d. Multi-crop pattern; proper irrigation facility |
14. Elinor Ostrom's theory of governing the commons is valid for the
- | | |
|--|--|
| a. Large-scale and nationally governed commons | b. Small-scale and locally governed commons, such as village forests |
| c. Partnerships arrangements, allowing the external interference | d. All of the above |

15. Forest land footprint measures
- a. The annual harvest of, for example, timber and fuel wood from forests
 - b. Areas of forest land covered by the human infrastructure
 - c. Grazing land including cultivated pastures, wild grassland, and prairies
 - d. All of the above
16. The Global Footprint Network was established in
- a. 1996
 - b. 1987
 - c. 1992
 - d. 2003
17. Earth Summit was held in the year.....
- a. 1972
 - b. 1987
 - c. 1992
 - d. 1996
18. Identify the incorrect match.
- a. Weak sustainability - Substitutability of natural capital with man-made capital
 - b. Strong sustainability - Complementarity between natural capital and man-made capital
 - c. Strong sustainability - Neoclassical economists, Robert Solow and John Hartwick
 - d. Weak sustainability - Natural capital cannot be substituted by the man-made capital
19. The first pilot Environmental Performance Index (EPI) was published in.....
- a. 1992
 - b. 1996
 - c. 2002
 - d. 2006
20. The Environmental Performance Index published in 2018 gives
- a. 40% weights to ecosystem vitality and 60% to environmental health
 - b. 60% weights to ecosystem vitality and 40% to environmental health
 - c. 50% weights to ecosystem vitality and 50% to environmental health
 - d. None of the above

(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

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

1. Define sustainable development. Explain The need of sustainable development in a country like India? 2+8=10
2. Explain Coase theorem of environment. Explain its criticisms. 8+2=10
3. a) Explain the inter relationship between environment and economics. 2+2+6=10
b) Define property rights.
c) Explain the characteristics of a well defined property rights.
4. a) What is mean by market failure? 2+8=10
b) Explain different types of market failure
5. How deforestation is harming the environment, elucidate. Explain the advantages of social forestry in this regard. 5+5=10
6. Critically explain the cost benefit approach of environmental valuation. 10
7. Explain the core concepts of Sustainable development and their inter linkages. 2+8=10
8. What is green marketing? Explain its role in protecting the environment. 2+8=10

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