

B.A. (Honours) Examination, 2014

Semester – V

Economics

Paper – H-9

(Environmental Economics)

Time: 3 Hours

Full Marks: 40

Questions are of value as indicated in the margin.

Answer *any four* questions.

1. Is the two-way environment-economy linkage based on the concept of circular economy or linear economy? Explain. 10
 2. What are externalities? Explain why the outcome of competitive market is unlikely to be Pareto efficient if externalities are present. How Pigouvian taxes can address such problems. 2+3+5=10
 3. Do you think common property is a prominent case of market failure for environmental assets? Explain the way how society should address this failure. 5+5=10
 4. What will be the Maximum Sustainable Yield (MSY) when there is natural regeneration of a fishery population? Does it usually coincide with the profit maximizing equilibrium? 6+4=10
 5. Why is back-stop technology considered an alternative to a non-renewable natural resource? Do you really think that this technology can arrest economic scarcity without disturbing the process of sustainable development? 4+6=10
 6. What is the basic difference between direct and indirect methods of valuation of damages? Describe the contingent valuation method in this connection. 5+5=10
 7. What are the features of renewable resources? How they differ from those of the non-renewable resources? What are the conditions of inter-temporal allocation of non-renewable resources? 3+2+5=10
 8. Do you think that industrialization and population growth are the contributory factors to environmental abuse in the underdeveloped countries? Discuss. 10
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