

**B.A. (Honours) Examination, 2022**  
**Semester-VI**  
**Economics**  
**Course – DSE-3**  
**(Environmental Economics)**

**Time: Three Hours**

**Full Marks: 60**

*Questions are of value as indicated in the margin.*

Answer *any four* questions: -

1. In the case of the environment, explain what you understand by non-market valuation. In this context, explain how you can use the tools of neoclassical economics to measure the economic value of environmental services. (10+5)
  2. Imagine a park in your locality to be converted into real estate. Many people, including you, do not want the park to be converted into real estate. Explain how you would try to find the value of the park using the 'Contingent Valuation Method'. In this context, explain the problems with such a method. (12+3)
  3. Explain the various kinds of market failure associated with the environment. In this context, explain how the Coase theorem can solve the problem of market failure. (10+5)
  4. Explain the concept of a 'Pigovian tax' to address the pollution problem. In this context, explain the idea of a double dividend. (12+3)
  5. Explain the inter-linkage between the economy and the environment. In this context, explain how the inter-linkage is related to the laws of thermodynamics. (10+5)
  6. What do you understand by 'common property resources'? In this context, explain the term 'tragedy of commons' and show how the problem of 'commons' could be solved through cooperation. (5+10)
  7. Explain the different kinds of Quantity based instruments used by the Government to address the pollution problem. Which instrument, according to you, is most effective? (10+5)
  8. Write short notes on the following: - (7+8)
    - (a) Kuznets curve
    - (b) Stock and Flow pollutants
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