

B.A. (Honours) Examination, 2023
Semester–VI
Economics
Course – DSE-3
(Group A: Environmental Economics)

Time: Three Hours

Full Marks: 60

Questions are of value as indicated in the margin.

Answer *any four* questions: -

1. Suppose a water body in your locality will be converted into real estate. Many people, including you, do not want the water body to be converted into real estate. Explain how you would try to find the value of the water body using the Contingent Valuation Method. In this context, explain the relevant problems with such a method. (12+3)
 2. Explain the concept of “strong sustainability”. Explain the difference between “strong sustainability” and “weak sustainability”. (10+5)
 3. Explain how the Coase theorem can solve the problem of market failure. Explain the problems faced in applying the Coase theorem. (10+5)
 4. Explain the various Quantity based instruments for pollution control. In this context, explain the concept of pollution offset. (12+3)
 5. Explain how a country’s macroeconomic policies affect its natural environment. In this context, explain the Environmental Kuznets Curve. (10+5)
 6. Explain how the first and the second law of thermodynamics help us to understand the environment-economy interaction. Explain what do you understand by the “Gaia Hypothesis”? (10+5)
 7. Explain how asymmetric information in a society creates problem for the conservation of environmental assets. In your opinion, explain how such problems be solved. (12+3)
 8. Write short notes on the following: - (8+7)
 - (a) Pigouvian Tax
 - (b) Tragedy of the Commons
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