

B.A. (Honours) Examination, 2016

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. Describe the laws of thermodynamics. How these laws are useful in explaining the relationship between the economy and the environment? Discuss. 2+8=10
 2. What are externalities? Show how Pigouvian taxes help in correcting the efficiency loss created by production externality? 2+8
 3. What is “the tragedy of commons”? What is the cause of its occurrence? Suggest some allocation mechanism to get rid of this tragedy. 3+2+5
 4. What is MSY (Maximum Sustainable Yield)? Does it always represent an economic equilibrium? Give reasons for your answer. 4+6
 5. Explain the different types of non-renewable resources. How they differ from the renewable resources? Do you think that the non-renewable resources are eventually exhaustible? Discuss. 4+4+2
 6. What are the different methods for environmental regulation? Discuss the effectiveness of liability laws in internalizing environmental externalities? What are its disadvantages? 2+5+3
 7. (a) Describe the demand and supply curves for environmental resources : How they are related to Marginal Damage Cost and Marginal Control Cost Curves?
(b) Discuss the hedonic price approaches for environmental valuation. 4+6
 8. Show how population, poverty and environmental degradation are interrelated. Discuss how this problem is addressed in recent times. 6+4
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