

( 8 )

- (c) Define sustainable development. Explain the indicator of sustainable development. Briefly discuss the components of sustainable development.

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63/1 (SEM-6) DSE4/ECOHE6046

2023

ECONOMICS

Paper : ECOHE6046

( Environmental Economics )

Full Marks : 80

Pass Marks : 32

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Choose the correct options from the following

(any six :

1×6=6

- (a) Environmental economics deals with the interrelation between
  - (i) global warming and environment
  - (ii) resource allocation and environment
  - (iii) ecology and environment
  - (iv) economic agent and environment

(b) Pareto optimality refers to a situation where

- (i) it is possible to make someone better off without making someone worse off
- (ii) it is not possible to make anyone better off without making someone worse off
- (iii) it is not possible to make anyone worse off without making someone better off
- (iv) anybody can be made better off while making others worse off

(c) Market may fail due to which of the following reasons?

- (i) Low demand
- (ii) Low price
- (iii) Non-excludability
- (iv) Non-storability

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(d) Market failure can be solved by

- (i) increased advertisement
  - (ii) assigning proper property rights
  - (iii) increasing competition
  - (iv) increasing public sector supply
- (e) The motive of Pigovian tax is
- (i) neutralizing effects of inflation
  - (ii) neutralizing effects of monopoly
  - (iii) neutralizing effects of negative externality
  - (iv) neutralizing effects of foreign competition

(f) Transboundary environmental problem refers to

- (i) environmental issue that affects multiple industries
- (ii) environmental issue that affects multiple natural resources
- (iii) environmental issue that affects multiple countries
- (iv) None of the above

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- (g) Which one is not the component of environmental risk assessment?
- (i) Hazard identification
  - (ii) Toxicity assessment
  - (iii) Risk assessment
  - (iv) Market research
- (h) Coase theorem states the efficient allocation of resources through
- (i) active Government intervention
  - (ii) private parties' negotiation on mutually beneficial agreement
  - (iii) third-party intervention
  - (iv) command and control measures
- (i) One of the features of tradable permits is
- (i) it limits the polluting capacity of a polluter to a fixed level
  - (ii) Government has no role to play
  - (iii) it allows the polluter flexibility of pollution
  - (iv) it gives permission of ultimate pollution to a polluter

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- (i) Sustainable development means
- (i) development through using maximum productive capacity
  - (ii) development which does not reduce the productive capacity of future
  - (iii) development which preserve all the resources for future
  - (iv) development which aims at equal opportunity across countries
2. Answer the following questions (any five) :  
2×5=10
- (a) What is welfare economics?
  - (b) Define property rights.
  - (c) What are tradable permits?
  - (d) Mention any two transboundary environmental problems.
  - (e) Define risk assessment in environmental economics.
  - (f) What is weak sustainability?
  - (g) Give two arguments in favour of sustainable development.

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3. Answer any six of the following questions :

5×6=30

- (a) Discuss the scope of environmental economics.
- (b) How does welfare economics relate to environmental economics?
- (c) How do markets fail in terms of environmental goods?
- (d) Discuss the process of environmental risk assessment.
- (e) Write briefly on the working of Pigovian taxes.
- (f) Write briefly on the economic effect of climate change.
- (g) Give the relative importance of taxes and quotas in presence of uncertainty about pollution control.
- (h) Write a short note on transboundary environmental problems.
- (i) Explain the relation between trade and environment.
- (j) Write briefly about the need of the strategy of sustainable development in present world scenario.

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4. Answer any two of the following questions :

10×2=20

- (a) What is environmental economics? How are the environment and the economy interlinked?
- (b) What is Pareto optimality? Explain the condition of Pareto optimality.
- (c) Explain tradable permits as measure of pollution control.
- (d) What is meant by implementation of environmental policy? Explain the various steps in implementation of environmental policy.

5. Answer the following questions (any one) : 14

- (a) What is market failure? Explain with suitable example how Coase theorem gives a solution to market failure.
- (b) How do non-market value measurement method and risk assessment method help in measuring the benefits of environmental improvements?

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