

MA ECONOMICS
THIRD SEMESTER
ENVIRONMENTAL ECONOMICS
MEC – 305 [MDC]

**SET
B**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. Mediation of flows and maintenance of physical and biological conditions are ecosystem services.
 - a. Provisioning
 - b. Cultural
 - c. Regulatory
 - d. Supporting
2. Which of the following measures is/are valid for sustaining ecosystem services?
 - a. Internalising the externalities
 - b. Community participation
 - c. Tradable pollution permits
 - d. All of the above
3. The governance model of common pool resources must have and
 - a. Well-defined boundaries of rights; conflict resolution mechanism
 - b. Well-defined boundaries of rights; the multi-crop pattern
 - c. The multi-crop system; conflict resolution mechanism
 - d. Multi-crop pattern; proper irrigation facility
4. Elinor Ostrom's theory of governing the commons is valid for the
 - a. Large-scale and nationally governed commons
 - b. Small-scale and locally governed commons, such as village forests
 - c. Partnerships arrangements, allowing the external interference
 - d. All of the above
5. Forest land footprint measures
 - a. The annual harvest of, for example, timber and fuel wood from forests
 - b. Areas of forest land covered by the human infrastructure
 - c. Grazing land including cultivated pastures, wild grassland, and prairies
 - d. All of the above
6. The Global Footprint Network was established in
 - a. 1996
 - b. 1987
 - c. 1992
 - d. 2003
7. Earth Summit was held in the year.....
 - a. 1972
 - b. 1987
 - c. 1992
 - d. 1996

8. Identify the incorrect match.
- a. Weak sustainability - Substitutability of natural capital with man-made capital
 - b. Strong sustainability - Complementarity between natural capital and man-made capital
 - c. Strong sustainability - Neoclassical economists, Robert Solow and John Hartwick
 - d. Weak sustainability - Natural capital cannot be substituted by the man-made capital
9. The first pilot Environmental Performance Index (EPI) was published in.....
- a. 1992
 - b. 1996
 - c. 2002
 - d. 2006
10. The Environmental Performance Index published in 2018 gives
- a. 40% weights to ecosystem vitality and 60% to environmental health
 - b. 60% weights to ecosystem vitality and 40% to environmental health
 - c. 50% weights to ecosystem vitality and 50% to environmental health
 - d. None of the above
11.deals with externalities and market failure, whereas,deals with interaction among ecosystem, economy and social systems.
- a. Environmental economics, Ecological economics
 - b. Environmental economics, Natural resource economics
 - c. Ecological economics, Energy economics
 - d. Energy economics, Natural resource economics
12. is referred to the amount that a consumer would pay for a hypothetical good.
- a. Willingness to pay
 - b. Marginal benefit
 - c. Marginal cost
 - d. Marginal Value
13. In case of negative externality, which of the following equation is valid?
- a. Private benefit < Private cost
 - b. Private cost > Social cost
 - c. Private cost < Social cost
 - d. Private benefit = Private cost
14. Common pool resources are characterized as:
- a. Finite in supply but non-rival in nature
 - b. The user rights are shared among the community members
 - c. Due to large size or open access, they are costly and difficult to regulate
 - d. All of the above
15. Which of the following concept can be employed as an alternative to the real cost of a commodity?
- a. Opportunity cost
 - b. Marginal cost
 - c. WTP
 - d. None of the above
16. Common pool resources are the.....
- a. Public goods managed sustainably through municipality arrangements
 - b. Common goods managed sustainably through some social/institutional arrangements
 - c. Public goods which are commonly distributed in the society
 - d. Both a and c

17. Identify the incorrect match.
- a. Public goods – non-rival and non-excludable
 - b. Private goods – rival and excludable
 - c. Common property resources – non-excludable within the community and non-rival
 - d. Club goods – non-rival and excludable
18. What is true for the dominant strategy?
- a. Dominant strategy's payoff is the equilibrium in the game theory.
 - b. The equilibrium achieved through the dominant strategy may or may not be consistent with the Pareto Optimality
 - c. Dominant strategy results in the highest payoffs to individuals and the group.
 - d. Both a and b
19. Elinor Ostrom states that collective action problems in the case of common pool resources can be solved through
- a. Institutional arrangement for governing the common pool resources.
 - b. External control over locally-owned common pool resources.
 - c. Bringing the common pool resources under the control of the central government.
 - d. Giving the governing rights to those individuals who are far from the common pool resources.
20. Non-use value of ecosystem services comprises:
- a. Option Value
 - b. Bequest value
 - c. Existence value
 - d. All of the Above

-- --- --

(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

1. Define sustainable development. Explain The need of sustainable development in a country like India? 2+8=10
2. Explain Coase theorem of environment, Explain its criticisms. 8+2=10
3. a) Explain the inter relationship between environment and economics. 2+2+6=10
b) Define property rights.
c) Explain the characteristics of a well defined property rights.
4. a) What is mean by market failure? 2+8=10
b) Explain different types of market failure
5. How deforestation is harming the environment, elucidate. Explain the advantages of social forestry in this regard. 5+5=10
6. Critically explain the cost benefit approach of environmental valuation. 10
7. Explain the core concepts of Sustainable development and their inter linkages. 2+8=10
8. What is green marketing? Explain its role in protecting the environment. 2+8=10

= = *** = =