3 (Sem–5) ECO M 3

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ECONOMICS

(Major)

Paper : 5.3

(Introduction to Environmental Economics)

Full Marks : 60

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. Answer the following questions : $1 \times 7 = 7$

   (a) What is a public good?

   (b) What is externality?

   (c) What does 'polluters pay principle' imply? 481 MLJ

   (d) Mention one form in which subsidies can be used as an approach to combat pollution. Market based Instrument

   (e) Mention one policy option for reducing the emission of greenhouse gases.

A15—4000/193   (Turn Over)

Stakeholder = Individual

(f) What is biodiversity?

(g) What is excludability?

2. Answer the following questions :

(a) Mention two potential costs of damage to environment to present and future generations.

(b) Show how air is a public good.

(c) Point out the primary concern of environmental economics.

(d) Mention two disadvantages of regulatory instruments for correcting environmental pollution.

3. Answer any *three* of the following : 5×3

(a) Explain the reasons for market failure for environmental goods.

(b) Explain the nature of environmental economics.

(c) Explain the tragedy of commons.

(d) Explain the upswing and downswing of the environmental Kuznets' curve.

(e) Explain how the selling of pollution 'rights' can deal with the problem of pollution.

4. Answer any *three* of the following : 10×3=30

(a) Bring out the relationship between environment and economy.

(b) Explain the case of negative externality. How can it be internalised? 5+5=10

(c) Explain how pollution damage can be abated by levying emission tax.

(d) Analyse the approaches of the various stakeholders in their choice of policy instruments.

(e) Explain the phenomenon of global warming. Bring out its likely consequences. 5+5=10

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