

4/Eco (C)-403

2012

(July)

ECONOMICS

(Environmental Economics)

Full Marks: 75

Time: 3 hours

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

*Answer **Five** questions, selecting at least one from each Credit*

**CREDIT – I**

1. Explain the concepts of Environment, Ecology and Ecosystem. What are the major components of Environmental Economics? (15+10)
2. What do you understand by sustainable development? Explain the indicators and measurements of sustainable development. (5+10)

**CREDIT – II**

3. (a) Define market failure. Describe how market failure arises in case of negative externality.  
(b) Define common property resource. Also, show that if the property is common then it will be prone to overutilization. (7+8)
4. (a) Describe the inter-linkage between deforestation, urbanization and the quality of environment of an area.  
(b) Define transaction cost. Describe the role of transaction cost in the analysis of Coase theorem. (7+8)

**P.T.O.**

**CREDIT – III**

5. (a) Define use value, option value, quasi option value and existence value.

(b) Do you think that willingness to pay and willingness to accept for an identical change in environmental quality will be the same? Provide an appropriate explanation to your answer. (8+7)

6 (a) Define hedonic pricing. Describe how hedonic pricing is used for the valuation of environmental goods.

(b) Give a brief outline of the environmental impact assessment. (9+6)

**CREDIT – IV**

3. Explain the salient features of environmental laws and regulations in India. What steps an entrepreneur has to follow before establishing an industry to ensure the environmental protection and improvement? (10+5)

4. Write short notes on any two: (7<sup>1</sup>/<sub>2</sub>x2)

- (a) Optimal use of exhaustible resources
- (b) Environmental Kuznets Curve
- (c) Environmentally Corrected GDP
- (d) Existence Theorem