14 (ECO–3) 3066

2023

ECONOMICS

Paper : ECO–3066

(Environmental Economics)

Full Marks : 80

Time : Three hours

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

1. Answer ***all*** the questions : 5×4=20

   (a) State and explain the laws of thermodynamics.

   (b) "Poverty is the greatest polluter." Elaborate the statement in the context of environmental degradation.

   (c) Discuss the biotic and abiotic components of an ecosystem.

   (d) Explain how price acts as an indicator of relative scarcity.

2. Answer ***any three*** out of the following questions : 10×3=30

(a) Why do we need multilateral environmental agreements ? Using suitable examples, discuss the characteristics of an MEA that target the loss of biodiversity. 2+8=10

(b) "Most market failures with environmental assets can be linked in one way or another to incomplete markets." Justify the statement with suitable example.

(c) Describe the main components of a successful contingent valuation study. What are the problems associated with contingent valuation study ? 7+3=10

(d) What is ecological succession ? Explain the implications of ecology on the functioning of the human economy. 4+6=10

(e) What is an environmental Impact statement ? Discuss the stages of an environmental impact assessment. 4+6=10

3. Answer ***any two*** of the following : 15×2=30

(a) State and explain the focus of the Hedonic Price theory. Derive the bid function, offer functions and the hedonic price function. Show how equilibrium is attained in a Hedonic Market. 3+8+4=15

(b) Discuss the respective effectiveness of taxes and tradable pollution permits in prevention, control and abatement of pollution.

(c) Describe the conditions that must hold while depleting an exhaustible resource along an optimal depletion path.
