

2009

M.A / M.Sc.

1st Semester Examination

ECONOMICS WITH RURAL DEVELOPMENT

PAPER—IV (1104)

Full Marks : 40

Time : 2 Hours

The figures in the right-hand margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

Illustrate the answers wherever necessary.

Group—A

1. Answer any five questions of the following : 2×5
- (a) Explain the first law of thermodynamics in relation to environmental economics.
 - (b) What is transaction cost ?
 - (c) Distinguish MAC and MDC.
 - (d) Distinguish option value and existence value.
 - (e) What is Olson's theory of collective action ?
 - (f) What do you mean by publicly provided private good ?
 - (g) Define a ethical voter.
 - (h) What is Borda count ?
 - (i) What is Leviathan hypothesis ?
 - (j) What do you mean by single peaked preference ?

(Turn Over)

Group—B

Answer any *two* questions of the following : 5×2

2. Distinguish private optimum and the social optimum in the presence of positive externality in production.
3. Explain how non-convexity of the marginal cost curve leads to market failure.
4. Explain the theory of clubs.
5. Explain the contingent valuation method (CVM) for valuation of environmental goods.

Group—C

Answer any *two* questions of the following : 10×2

6. (a) Explain the various criteria for evaluating environmental policy.
(b) Explain why economists generally prefer market-based instrument compared to command and control.
7. Distinguish hedonic pricing approach and averting behaviour approach in contingent valuation method.
8. Explain Arrow's impossibility theorem.
9. (a) Prove that transitive social ordering is possible if preference pattern is not cyclic.
(b) Explain how the information about the intensity of preference affects the support that any party can expect in representative democracy.