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2023

M.A. 2nd Semester Examination

ECONOMICS

Paper – ECO- 203

(Special Exam)

Environmental and Resource Economics

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 two questions from the following: $2\times2 =4$

(a) How does the first law of thermodynamics relate to environmental economics?

(b) What is command and control method?

(c) What is hedonic pricing method?

(d) Define weak concept of sustainable development.

2. Answer any two questions from the following : $2\times4 =8$

(a) Explain the concept of negative externalities in the context of environmental goods.

(b) Explain the interlinkage between the economy and the environment.

(c) Discuss the potential non-linear relationship between economic development and environmental degradation, as depicted by the Environmental Kuznets Curve.

(d) Explain the key principles of the System of Environmental-Economic Accounting (SEEA)

3. Answer any one question from the following :　　　$1 \times 8 = 8$

(a) Discuss the contingent valuation technique for estimating the economic value of environmental goods.

(b) Write notes on the following:

(i) Coase theorem.

(ii) Market based Instruments for pollution control.　　　(4+4)

Group-B

4. *Answer any two questions:*　　　*2x2 = 4*

(a) Why we need to manage renewable resources?

(b) Discuss the concept and usefulness of MSY.

(c) What are exhaustible resources?

(d) What is royalty?

5. *Answer any two questions:*　　　*4x2 = 8*

(a) What are renewable resources? Determine the growth curve by considering a single species of renewable resource.

(b) Graphically explain the effort-growth equilibria of a renewable resource.

(c) Determine the profit maximizing solution for a renewable resource by considering the preservation value and time.

(d) Discuss what happens to the Hotelling Rule when extraction costs are positive?

6. *Answer any one questions:*   *8x1 = 8*

(a) What is open access solution of a renewable resource? Explain whether common property solution is same as the open access solution for a renewable resource? Does open access leads to extinction of the species? Explain.   (3+3+2)

(b) Discuss how the initial price, P_0 is determined in the Hotelling Rule graphically for an exhaustible resource. Discuss how the Hotelling rule for an exhaustible resource changes with the change in the discount rate (s).   (5+3)