[This question paper contains 2 printed pages.]

Sr. No. of Question Paper : 1733 **Roll No.....**

Name of the Paper : XXI – Environmental Economics

Name of the Course : B.A. (H) Business Economics

Semester : VI

Duration : 3 Hours

Maximum Marks : 60

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any **five** questions.
3. **All** questions carry equal marks.

1. (a) The main objective of environmental and economic accounting is to expand existing system of national income accounts in order to integrate environment and social dimensions in the accounting framework. Explain. (8)

   (b) Propose a conceptual structure of integrated environmental and economic accounting. (4)

2. (a) What are the alternative meanings and definitions of sustainability ? (8)

   (b) Hartwick showed that under certain conditions some amount of positive consumption can be maintained indefinitely. Explain. (4)

3. (a) Define the concepts of willingness to pay (WTP) and willingness to accept (WTA) of a change in the quality or quantity of a public good. (6)

   (b) Compensating and equivalent surplus provide monetary measures of utility change associated with a change in the level of public good. Explain with the help of diagrams. (6)

P.T.O.

4. (a) Define and classify externality. Explain that economic efficiency can be achieved by internalizing negative externalities. (6)

(b) Define a public good and its use and non-use values. Explain that potential causes of market failure are imperfect information, risk, uncertainty and irreversibility. (6)

5. (a) Command and control (CAC) policy is one of the most prevalent instruments for controlling pollution. Explain. (6)

(b) What policy options are available to control non-uniformly mixed pollutants. (6)

6. "Most pollution problems can be traced to disputes over property rights". Explain through Coase Theorem the importance of property rights for well-functioning markets. Also critically analyse the propositions of Coase Theorem in the context of public bad. (12)

7. Write short notes on any **two** :

(a) Climate change

(b) Montreal Protocol

(c) Cost benefit analysis of environmental projects (6+6)

(200)