

[This question paper contains 2 printed pages.]

Sr. No. of Question Paper : 1718

Roll No.....

Unique Paper Code : 248601

Name of the Paper : Environmental Economics

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

Semester : VI

Duration : 3 Hours

Maximum Marks : 75

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.
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1. (a) Illustrate explicitly a relationship between economic activity and natural environment using material balance model. (7)
 - (b) Why market fails to exist in case of environmental goods. Can a market be established to achieve an allocatively efficient level of a public good such as "Air Quality". (8)
 2. (a) What is the underlying premise of pollution permit trading system ? Illustrate its operation using a two polluter model. (8)
 - (b) In India collective action has gained ground as an alternative institution to economic instruments to deal with environmental problems. Explain with the help of an example. (7)
 3. (a) One of the strengths of the contingent valuation method (CVM) is its ability to capture existence value. How can the researcher take advantage of this yet avoid some of the biases of such a survey based approach ? (8)

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- (b) Of the two approaches for measuring environmental benefits, which in your view is likely to produce the most reliable estimates ? Explain. (7)
4. (a) How can inter-temporal justice be achieved in allocating environmental resources among generations. Give your arguments and explain policy implications in this context. (8)
- (b) What is sustainable accounting ? How is it related to the integrated environmental and economic accounting ? (7)
5. (a) Critically evaluate the achievements of NAFTA and WTO for the sustainable development. (7)
- (b) One of the principal issues associated with global air pollution is ozone depletion. In this context explain how can the policy of excise-tax control ozone depleting substances ? (8)
6. (a) Discuss the problem of global warming and the international policy response to it. (7)
- (b) Evaluate the market based policy instruments available for controlling greenhouse gas emissions. (8)
7. Write short notes on any **three** of the following :
- (a) Weak and strong sustainability
- (b) Pigouvian Subsidy
- (c) National Environmental Tribunal
- (d) Sources and scope of environmental damage (5×3)