

Ba/EC6.DSE 4.1

2025

( CBCS )

( 6th Semester )

ECONOMICS

Paper : EC6.DSE 4.1

( **Environmental Economics** )

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

( PART : B—DESCRIPTIVE )

( Marks : 50 )

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

UNIT—I

1. Explain the nature and scope of environmental economics. 5+5=10

Or

Explain in brief the linkage between the economy and the environment. 10

( 2 )

UNIT—II

2. Define Pareto optimality. Explain how market fails to achieve Pareto optimal efficiency in the presence of externalities.  $2+8=10$

Or

Is environment a public good? Bring out the characteristics of a public good and a public bad with illustration.  $3+7=10$

UNIT—III

3. Explain in brief some of the important legislations for environment protection in India. 10

Or

Compare and contrast command and control and market-based instruments for environmental regulation.

UNIT—IV

4. Explain the concept of willingness to pay and willingness to accept in the context of environment quality. 10

Or

Discuss the contingent valuation method for valuing environmental assets.

( 3 )

UNIT—V

5. Explain the concepts and indicators of sustainable development.  $4+6=10$

Or

Discuss the perspective of sustainable development from Indian experience. 10

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( CBCS )

( 6th Semester )

**ECONOMICS**

Paper : EC6.DSE 4.1

**( Environmental Economics )**

( PART : A—OBJECTIVE )

( Marks : 25 )

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

**A.** Put a Tick (✓) mark against the correct answer in the  
brackets provided : 1×15=15

1. Environmental economics attempts to study the  
interrelationship between

(a) environment and ecology (     )

(b) economic agents and  
environment (     )

(c) economic problems and  
environment (     )

(d) public finance and ecology (     )

2. Environmental economics is not only descriptive but also normative implies

- (a) it involves value judgements ( )
- (b) it must tailor their analyses to specific contents ( )
- (c) it promotes sustainability ( )
- (d) it is constantly evolving ( )

3. Longevity means

- (a) life expectancy at birth ( )
- (b) life expectancy at death ( )
- (c) life expectancy at birth and death ( )
- (d) None of the above ( )

4. Market failure is caused by

- (a) open accessibility ( )
- (b) Pareto optimality ( )
- (c) externalities ( )
- (d) individual participation ( )

5. A good is non-excludable if

- (a) consumption of one person does diminish the quantity of consumption by others ( )
- (b) it is difficult to prevent consumption to those who do not pay for the good ( )
- (c) it is easy to prevent consumption to those who do not pay for the good ( )
- (d) None of the above ( )

6. Public goods are

- (a) non-excludable and non-rival ( )
- (b) externalities ( )
- (c) public bads ( )
- (d) free rider ( )

7. The Central Pollution Control Board was established in

- (a) 1973 ( )
- (b) 1974 ( )
- (c) 1975 ( )
- (d) 1976 ( )

8. India's first National Forest Policy after independence was introduced in

- (a) 1950 ( )
- (b) 1952 ( )
- (c) 1955 ( )
- (d) 1957 ( )



9. What is it called when government uses laws and regulations to dictate the standards and technology to reduce pollution?

- (a) Market-based instrument ( )
- (b) Command and control regulation ( )
- (c) Subsidy ( )
- (d) Lawsuit ( )

10. Bequest value of environmental good is

- (a) value derived from environment for the function it performs ( )
- (b) value individuals place on environmental goods for its existence ( )
- (c) value individuals derive for continued existence of environmental goods for future generation ( )
- (d) indirect use value ( )

11. Which of the following is a direct method of environmental valuation?

- (a) Travel cost method ( )
- (b) Hedonic pricing theory ( )
- (c) Contingent valuation method ( )
- (d) Defensive expenditures ( )

12. Which of the following is often referred to as the hedonic price method for valuing environmental assets?

- (a) Using willingness to pay to value environmental good ( )
- (b) Using linkage between variation in house prices and geographical proximity to an environmental asset ( )
- (c) Using option value to estimate the value of environmental asset ( )
- (d) None of the above ( )

13. Sustainable development means

- (a) development of underdeveloped countries ( )
- (b) conservation of environmental resources ( )
- (c) regulation of economic activities ( )
- (d) meeting the needs of the present generation without compromising the need of future generations ( )

( 6 )

14. In 1992, the United Nations Conference on Environment and Development (UNCED) known as Earth Summit was held in

(a) Kyoto ( )

(b) Geneva ( )

(c) Rio de Janeiro ( )

(d) Washington, DC ( )

15. What is the basic idea behind sustainability?

(a) That we live in a world of limited resources ( )

(b) That we want to get the maximum out of earth's resources ( )

(c) That we live today like we lived yesterday ( )

(d) Climate change ( )

( 7 )

B. Write short notes on any *five* of the following : 2×5=10

1. Environmental economics

2. Market failure

3. Externalities



( 10 )

4. Public goods

( 11 )

5. User value and non-user value



( 12 )

6. Hedonic prices

( 13 )

7. Entropy law

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