2025

ECONOMICS — HONOURS

Paper : DSE-B-2.1

(Environmental Economics)

Full Marks : 65

The figures in the margin indicate full marks.

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

Group - A

1. Answer ***any ten*** questions : 2×10

   (a) What does an environmental economist do?

   (b) What are emission rights?

   (c) What is Dynamic efficiency?

   (d) What is Montreal Protocol?

   (e) How are the laws of Thermodynamics related to Environmental Economics?

   (f) What is Willingness to Accept Compensation (WTAC)?

   (g) What is Environmental Kuznets Curve?

   (h) What is market failure?

   (i) What is meant by transboundary pollution?

   (j) What is Displacement Hypothesis?

   (k) What are tradable pollution permits?

   (l) What are externalities?

   (m) Is the optimum level of pollution zero?

   (n) What is acid rain?

   (o) What is Travel Cost Method?

Group - B

Answer ***any three*** questions. 5×3

2. Explain the interlinkages between the economy and the environment with an example.

3. How do public goods contribute to market failure in environmental economics?

4. Compare Pigouvian fees and subsidies as tools to reduce pollution.

5. What is the significance of the Montreal Protocol in addressing international environmental issues?

6. Discuss the advantages and disadvantages of the Travel Cost Method in environmental valuation.

Group - C

Answer ***any three*** questions.

7. While economic growth is often seen as a pathway to development, it can conflict with environmental sustainability. Analyze this conflict in the context of the interlinkages between the economy and the environment, using the concept of the Environmental Kuznets Curve (EKC). 5+5

8. Suppose a factory and a fishing community share a river, but the factory's pollution reduces fish stocks, impacting the community's livelihood. Using the Coase Theorem, explain how property rights allocation affects the outcome and critically assess why this solution might fail in a real-world scenario with multiple stakeholders. 5+5

9. A government is considering a Pigouvian tax to address air pollution from multiple polluters, but some industries argue that subsidies for green technology would be more effective. Evaluate the challenges of implementing a Pigouvian tax in a multipolluter scenario and discuss whether subsidies could be a better alternative in this context. 5+5

10. The Paris Agreement allows countries to set their own Nationally Determined Contributions (NDCs) to combat climate change, unlike the Kyoto Protocol's binding targets. Critically analyze whether this flexibility strengthens or weakens global efforts to address transboundary pollution, using the free-rider problem as a lens. 5+5

11. Analyze the relationship between environmental awareness, economic development and the importance of valuing environmental costs and benefits. Discuss how incorporating environmental values into economic decision-making can contribute to achieving long-term sustainability goals. (2+2+2)+4