

D 31309**(Pages : 3)****Name.....****Reg. No.....****THIRD SEMESTER P.G. DEGREE EXAMINATION, NOVEMBER 2022****(CCSS)****Economics****ECO 3E 03—ENVIRONMENTAL ECONOMICS****(2019 Admission onwards)****Time : Three Hours****Maximum : 80 Marks****Part A***Answer all questions.**Each question carries 1 mark.***Multiple Choice Questions :**

1. One of the theoretical ideas of natural resource economics is that the earth's is a natural resource under threat of depletion :
 - (a) Sun.
 - (b) Population.
 - (c) Sustainability.
 - (d) Assimilative capacity.
2. Which one of the following policies would not promote sustainable development ?
 - (a) Green taxes.
 - (b) Application of industrial ecology.
 - (c) Increasing agricultural subsidies.
 - (d) Increased efficiency in transportation.
3. The phrase "tragedy of commons" is in the context of :
 - (a) Tragic event related to damage caused by release of poisonous gases.
 - (b) Tragic condition of poor people.
 - (c) Degradation of renewable free access resources.
 - (d) Climate change.
4. The death of the last individual of a species is called _____.
 - (a) Extinction.
 - (b) Endanger.
 - (c) Neither (i) nor (ii).
 - (d) Diversity.
5. Ozone depletion refers to the phenomenon of reduction in the amount of ozone in the :
 - (a) Exosphere.
 - (b) Stratosphere.
 - (c) Troposphere.
 - (d) Mesosphere.

Turn over

6. Which of the following is statement is true ?
- (a) Efforts should be made to reduce pollution level until it is eliminated completely.
 - (b) If the marginal cost of pollution is less than marginal cost of abatement it is not socially optimal to further reduce pollution.
 - (c) Trees, bodies of water, and the atmosphere have no way of handling pollution.
 - (d) Aggressive pollution mitigation tends to cost very little money.
7. Which of the following is not a renewable natural resource ?
- (a) Clean air.
 - (b) Fresh water.
 - (c) Fertile soil.
 - (d) Salt.
8. To reach an economically efficient economic output level the size of an excise tax imposed on a firm generating negative externality should be :
- (a) A firm's marginal cost.
 - (b) The social marginal cost.
 - (c) The difference between social marginal cost and firm's marginal cost.
 - (d) The sum of social marginal cost and firm's marginal cost.
9. The Government levying taxes on polluters or charging a surcharge for pesticide use means ?
- (a) Internalization of negative spill over effects.
 - (b) Marginal abatement cost.
 - (c) Example of a free rider.
 - (d) Example of Coase theorem.
10. Market failure can occur because of :
- (a) Imperfect competition.
 - (b) Externalities.
 - (c) Both (1) and (2).
 - (d) Neither (1) nor (2).

(10 × 1 = 10 marks)

Part B (Very Short Answer Questions)

Answer any five questions.

Each question carries 2 marks.

Answer in one or two sentences each.

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|------------------------------|--------------------------------|
| 11. Non-Renewable Resources. | 12. Common Property Resources. |
| 13. Deforestation. | 14. Tragedy of commons. |
| 15. Habitat. | 16. Pareto's optimal welfare. |
| 17. Threats to biodiversity. | 18. Carbon mission trading. |

(5 × 2 = 10 marks)

Part C (Short Answer Questions)

*Answer any **eight** questions.
Each question carries 5 marks.*

19. Examine the important ways and methods to reduce Global Warming as part of attitude and approach.
20. Explain the scope of Environmental Economics.
21. What is Biodiversity ? Examine different types of biodiversity.
22. Presence of opportunity cost in environmental quality makes environmental problem as an economic problem. Elucidate.
23. Examine the Law of Thermodynamics and its relevance in Environmental Economics.
24. Explain the characteristics of public and private goods.
25. Analyse the relationship between “International Trade” and “Environmental Policy”.
26. Explain why environmental degradation is best viewed as an economic problem.
27. Write about the historical approaches towards the scarcity of natural resources.
28. Discuss the linkage between poverty, environment and development.
29. Explain Coase Theorem.
30. Explain different Forest management.

(8 × 5 = 40 marks)

Part D (Essay Type Questions)

*Answer any **two** questions.
Each question carries 10 marks.*

31. What do you mean by natural resources ? How would you explain the phenomenon that the renewable resources seem to be becoming scarcer relative to exhaustible resources ?
32. What is sustainable development ? Examine the components and key indicators of sustainability.
33. Discuss the role of an economist in environment assessment, management, protection and policy formulations.
34. Discuss the problems of Climate change and explain the various Global Agreements on climate change.

(2 × 10 = 20 marks)