



DOON UNIVERSITY, DEHRADUN
Semester Final Examination, IV Semester, 2013
School of Social Sciences

7/16/013

MSc Economics
SSEI-224: Environmental Economics

Time Allowed: 3 hrs.

Max. Marks: 50

Note: Attempt All Questions from Sections A,B,C.

SECTION : A

All questions are compulsory and carry equal marks.

(Marks: 5x2=10)

1. Define resource economics.
2. Will an increase in the income of a very poor individual help to eliminate environmental degradation? Explain.
3. Explain the shift in the demand curve when there is a marginal external benefit involved.
4. Mention any two forms of market failure.
5. What is the basic difference between the circular flow model and the material balance model?

SECTION : B

Answer any FOUR.

(Marks: 4x5=20)

1. Discuss the sources of pollution.
2. Consider a firm producing a pollution generating product. Will a technology change help the firm avoid any emission charges? Explain using proper diagrams.
3. Discuss any method of measuring environmental benefit.
4. Given the TSB (total social benefit) curve as an upward rising curve, explain using a suitable diagram the incremental benefits for an improvement in the air quality.
5. Differentiate between private good and externality. Use suitable examples to explain your answer.

SECTION : C

Answer any TWO:

(Marks: 2x10=20)

1. Discuss the relationship between economic development and environmental degradation. Use appropriate diagram to explain the different notions that may exist to show the relationship between per-capita income of an economy and pollution.
2. Is it possible to reduce pollution without government intervention? Explain how bargaining helps to reduce pollution when the property rights are assigned to the polluter. Use suitable diagram wherever necessary. (*Hint: use marginal functions*)
3. Using proper economic models and suitable diagrams show how society's welfare is measured. (*Hint: use demand and supply functions*)