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Name.....

Reg. No.....

**SIXTH SEMESTER B.A. DEGREE EXAMINATION, MARCH 2017**

(CUCBCSS—UG)

Economics

ECO 6E 01—ENVIRONMENTAL ECONOMICS

Time : Three Hours

Maximum : 80 Marks

*Answers may be written either in English or in Malayalam.*

**Part A**

*Answer all questions.*

*Each question carries ½ mark.*

1. What is the Environmental Economics ?
  - (a) The branch of economics that studies how environmental and natural resources are developed and managed.
  - (b) The branch of economics that shows how to exploit natural resources as quickly as possible.
  - (c) The psychological study of relationships between humans and natural resources.
  - (d) All answers above are correct.
2. Which of the following answers applies to renewable natural resource ?
  - (a) Once the renewable natural resource is used, it is gone forever.
  - (b) Renewable resources can be replenished.
  - (c) Renewable resource are costly to extract.
  - (d) Renewable resources can be harvested at any rate without harming future supplies.
3. Which of the following answers is a non-renewable natural resource ?
  - (a) Fish and cattle.
  - (b) Petroleum.
  - (c) Human Resources.
  - (d) All answers above are correct.
4. Which items from list below is a positive externality ?
  - (a) Public Immunization.
  - (b) Traffic Jams.
  - (c) A neighbor's barking dog.
  - (d) All answers above are correct.

Turn over

5. What is an open resource ?
- (a) Property owned by everyone or absence of ownership.
  - (b) Property owned by the government.
  - (c) An LLP company owns the property.
  - (d) None of the answers above is correct.
6. What is a market failure ?
- (a) Something prevents the market to allocate resources efficiently.
  - (b) Both consumers and producer's surpluses are maximized.
  - (c) Free market of individuals acting in their own self interest leads to a socially-desirable result.
  - (d) None of the answers is correct.
7. What is a bundle of rights that describe an owner's rights, privileges and limitations for use of a resource ?
- (a) Private goods.
  - (b) Public goods.
  - (c) Property rights.
  - (d) State-property regimes.
8. What is a common-property regime ?
- (a) Individuals hold entitlement.
  - (b) Government owns and controls property.
  - (c) No one owns or exercises control over the resource.
  - (d) Property is jointly owned and managed by a specific group.
9. Government \_\_\_\_\_ to help a firm pay for a specific abatement technology.
- (a) imposes a tax on pollution.
  - (b) grants a subsidy.
  - (c) defines technology standards.
  - (d) places a permit.
10. What did Chernobyl, Three Mile Island, the Love Canal, and Bhopal, India all have in common ?
- (a) They were all nuclear disasters.
  - (b) The respective companies made significant environmental improvements.
  - (c) They were environmental problems that were quickly fixed.
  - (d) They qualify as technological disasters.



11. In 1987, the United Nations convened a meeting in Canada to address the problem of ozone depletion. What is the name of this agreement ?
- (a) Chemical Responsibility Program.
  - (b) Montreal Protocol.
  - (c) Kyoto Protocol.
  - (d) The European Union Emissions Trading Scheme (EU-ETS).
12. What is point source pollution ?
- (a) Pollution has an identifiable source.
  - (b) Pollution is emitted from many sources and it is extremely difficult to identify and monitor.
  - (c) Pollution emissions in one country or several countries affect other countries without pollution problems.
  - (d) Pollution that the environment can absorb.

(12 × ½ = 6 marks)

**Part B (Very short Answer Questions)**

*Answer any ten questions.*

*Each question carries 2 marks*

- 13. Define Environmental Economics.
- 14. What is acid rain
- 15. Explain welfare economics.
- 16. What do you mean by tragedy of commons?
- 17. Explain limits to growth.
- 18. What is pollution tax?
- 19. What is meant by global warming?
- 20. What is free rider problem?
- 21. Write a note on Montreal Protocol.
- 22. What are green house gases?
- 23. Define Biodiversity.
- 24. Define Urbanisation.

(10 × 2 = 20 marks)

**Turn over**

**Part C (Short Essay Questions)**

*Answer any **six** questions.  
Each questions carries 5 marks*

25. Explain the services of environment with suitable example.
26. Write a note on material balance model.
27. Define common property resources. What are its characteristics?
28. Write a note on water pollution and bring out the classification of water pollution.
29. Explain the instrument of Tradable Pollution Permit.
30. Analyse the impacts of global warming.
31. Explain Coase theorem.
32. Explain hedonic pricing method.

(6 × 5 = 30 marks)

**Part D (Essay Questions)**

*Answer any **two** question.  
Each question carries 12 marks.*

33. What is sustainable development ? What are the indicators of sustainable development?
34. Highlight the environmental problem of Urbanisation. Suggest remedies.
35. Critically examine the different methods of protection of the environment,
36. Highlight the impacts of climate change on agriculture and food security.

(2 × 12 = 24 marks)