

MASTER OF ARTS EXAMINATION, 2025
ECONOMICS

2nd Year, 2nd Semester

Subject Code : ECO/A/DSE 10.8

RESOURCE AND ENVIRONMENTAL ECONOMICS AII (GLOBAL ISSUES)

Time : Two Hours

Full Marks : 30

Answer any five questions :

1. Consider the case of a fixed supply of emission permits in a small open economy. Comment on the impact of trade liberalization when the economy imports the dirty good. Elaborate on your reasoning. 3+3
2. Demonstrate the possibility of an environmental Kuznets Curve in the case of an abatement threshold model. 6
3. Using a suitable model in which the capital intensive good is the dirty good, illustrate how capital accumulation affects the level of pollution in an economy. Frame your answer in terms of the decomposition of the total change in pollution into scale, composition and technique effects. 6
4. Distinguish between the following three components of non-use value: existence value, altruistic value and bequest value. Give one example of each. 3+3
5. Distinguish between equivalent and compensating surplus. Illustrate with the help of a diagram. 3+3
6. Compare cap and trade systems with carbon taxes in regard to the regulation of climate change. 6
