

MASTER OF ARTS EXAMINATION, 2019

(2nd Year, 4th Semester)

ECONOMICS

ENVIRONMENTAL ECONOMICS

Time : Two hours

Full Marks : 30

Answer any 5 questions. All questions carry equal marks

1. Distinguish between the scale, composition and technology effects of globalization on pollution. Explain through examples. (6 marks)
2. When an environmental amenity and a composite good (say money income) are perfect complements compare the magnitudes of maximum willingness to pay and minimum willingness to accept. (6 marks)
3. Derive the curve relating pollution to per capita income when the inverted U shaped curve relating emissions to per capita income is such that (a) emissions always lies below absorptive capacity; and (b) emissions is below absorptive capacity at low and high levels of per capita income but above it at middle levels of per capita income. (6 marks)
4. Elaborate on the differences between environmental and ecological economics. (6 marks)
5. Is the system of tradable emission permits superior to that of an emission charge (emission tax)? Give reasons for your answer? (6 marks)
6. Why is the assumption of negligible or zero negotiation/transaction costs crucial to the Coase conjecture? Explain. (6 marks)