

BACHELOR OF ARTS EXAMINATION, 2023
(Supplementary)
3rd Year 5th Semester
Paper- Resource and Environmental Economics

Time- 2 hours

Full Marks-30

1. Answer any two questions.

10x2=20

(a) Why is the 'Coase Theorem' important in environmental economics? Explain graphically. What are the assumptions of the theorem? 3+4+3

(b) Are the pollution taxes always equivalent to environmental subsidies? Also show that in the long run under subsidy there will be more firms in the industry than under tax. 5+5

(c)

(i) How is 'sustainable development' defined? What are the four components of Daly's principles for achieving sustainable development? 1+4

(ii) State the equation for estimation of Green GDP specifying its different components. What is the concept of 'Genuine Savings'? 2.5x2=5

2. Answer any two questions.

5x2=10

(a) Write implications of the two laws of thermodynamics for economic growth.

(b) Given that the rate of discount is r , state the Hotelling condition for the optimal depletion of resources in a discrete two period extraction model.

(c) Explain one cost-based method of environmental valuation.
