

M Phil Examination-2023
1st Year 2nd Semester
Subject-Economics
Paper- Economics of Climate Change

Time- 2 hours

Full Marks- 30

1. Answer any two questions. Answer must be precise.

10x2=20

(a) Define environment. Discuss the inter-linkage between environment and economy. Explain the two laws of thermodynamics in the context of environmental economics. 2+5+3

(b) What is a logistic growth curve in the context of renewable resources? What is Maximum Sustainable Yield (MSY)? Show that MSY does not appear to be a socially desirable management practice. 3+1+6

(c) State the conditions necessary for the Coase Theorem to hold. Why is the Coase Theorem important in environmental economics? Explain graphically. 3+7

2. Answer any two questions.

5x2=10

(a) Discuss the method of discounting in cost-benefit analysis. Define the Expected Present Value of Net Benefits (EPVNB). 3+2

(b) What is a backstop? Show that price of a backstop sets an upper limit on the price of exhaustible resource. 1+4

(c) How can you best define 'sustainable development'? Distinguish between weak and strong sustainability. 1+4