

2026

ECONOMICS — HONOURS

Paper : DSCC-14

(Environmental and Resource Economics)

Full Marks : 75

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

Group - A

1. Answer **any ten** questions :

2×10

- (a) Define positive externality with a suitable example.
- (b) What is meant by the 'Tragedy of the Commons'?
- (c) State the two defining characteristics of a Public Good.
- (d) What is a Pigouvian Tax?
- (e) Define Sustainable Development as per the Brundtland Report.
- (f) What is the Environmental Kuznets Curve (EKC)?
- (g) Define Total Economic Value (TEV).
- (h) What is the difference between Consumptive and Non-consumptive Use Value?
- (i) Name the two major types of Market Failure in environmental contexts.
- (j) What is Tradable Pollution Permits?
- (k) Define Environmental Degradation.
- (l) What is a Circular Economy?
- (m) State the Polluter Pays Principle.
- (n) What is the role of the National Green Tribunal (NGT) in India?
- (o) Define Existence Value with an example.

Group - B

Answer **any five** questions.

5×5

- 2. Briefly explain how the circular economy reframes the relationship between economic activity and the environment.
- 3. Explain why Coase Theorem might fail to provide a solution in a real world scenario with multiple stakeholders.

Please Turn Over

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4. Discuss the legal and institutional framework for pollution control in India, specifically the roles of the Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCBs).
5. Discuss the 'Entry-Exit Problem' and why subsidies might lead to different long-run outcomes compared to taxes.
6. Outline the basic steps involved in the Zonal Travel Cost Method (ZTCM) to value a recreational site.
7. Describe the Contingent Valuation Method (CVM) and discuss any three potential biases associated with it.
8. Briefly discuss the implementation of a Carbon Tax as a policy tool for climate change, citing one real-world example.
9. Briefly explain Hedonic Pricing Method.

Group - C

Answer *any three* questions.

10. Explain how a negative production externality leads to market inefficiency using a diagram (Private vs. Social Costs). Show how a Pigouvian tax can internalize this externality to reach the socially optimal output. 10
 11. Compare Pollution Taxes and Cap-and-Trade Systems based on environmental certainty and price certainty. Under what conditions does the Weitzman Analysis suggest preferring price instruments over quantity instruments? 10
 12. Detail the components of Total Economic Value (TEV), including Use Values and Non-Use Values. Explain how the TEV framework would be applied to value a tropical forest threatened by conversion. 10
 13. (a) How is Pigouvian fees determined in case of multiple polluters?
(b) Compare the long-run effects of 'Tax vs. Subsidies' approach to control environmental degradation. 5+5
 14. Compare and contrast command and control and economic incentives approaches for environmental regulation. Discuss the situations where each approach might be more effective. 5+5
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