



Avinashilingam Institute for Home Science and Higher Education for Women
(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)
Re-accredited with 'A+' Grade by NAAC. Recognised by UGC Under Section 12B
Coimbatore - 641 043, Tamil Nadu, India

Bachelor's Degree Examination – June 2021
VI Semester

Class : III UG
Major : Economics

Time : 3 Hours
Max. Marks: 100

18BECC023 Environmental Economics

Part A
Choose the Correct Answer

10 x 1 = 10

- The objective of environmental economics is to maintain balance between
 - Man and society
 - Man and culture
 - Man and nature
 - Man and animals
- Which of the following policies can be used to offset a negative externality and boost a positive externality?
 - Subsidies and tax
 - Regulations and tax
 - A ban and regulations
 - Self-regulation and taxes
- Which one of the following is not a source of market failure?
 - Public goods
 - Product is rival
 - Presence of externalities
 - Asymmetric information
- Which of the following is not considered a negative externality?
 - Air pollution
 - Loud music
 - land developing
 - Going to school
- _____ is an organism used to gauge the quality of an ecosystem.
 - Decomposers
 - Predator
 - Bio-remediator
 - Bioindicator
- Which of the following are considered public goods?
 - Clean air, clean water and biological diversity
 - Clean air, clean water and fishing rights
 - Clean air, clean water and open land
 - Lakes, streams and ponds
- Acid rain is an example of
 - Local pollution
 - Global pollution
 - Regional pollution
 - Natural pollution
- Global warming would affect
 - Climate
 - Food production
 - Melting of glaciers
 - All the above
- Which of the following is not a potential bias when using the contingent valuation survey approach?
 - Primary-secondary bias
 - Strategic bias
 - Hypothetical bias
 - Starting-point bias
- A typical Hedonic Price Function in property cases includes:
 - Structural and Neighbourhood characteristics
 - Environmental amenities
 - Neither A nor B
 - Both A and B

Part B

5 x 6 = 30

Answer ALL questions

Each answer should not exceed 400 words or two pages

- 11.a. Explain the difference between ecology and ecosystem.
(or)
- 11.b. Make a brief appraisal of the 'Rio conference'.
- 12.a. Briefly explain the externalities under perfect competition.
(or)
- 12.b. Explain the theory of second best.
- 13.a. How will you protect environmental quality?
(or)
- 13.b. Explain how economic growth affects environmental quality.
- 14.a. Write a note on acid rain and its effects.
(or)
- 14.b. Suggest measures to control global warming.
- 15.a. Write a note on the Market pricing approach.
(or)
- 15.b. Explain the Replacement cost approach.

Part C

5 x 12 = 60

Answer ALL questions

Each answer should not exceed 800 words or four pages

- 16.a. Elucidate the features of common property resources.
(or)
- 16.b. Explain the biotic factors of eco system.
- 17.a. What are the reasons for market failure? Add a note on its impact on environmental aspects.
(or)
- 17.b. What factors influence Perfect competition for environmental economic market structures.
- 18.a. Analyse the 'Environmental Quality' as a Public Good.
(or)
- 18.b. Explain Pareto optimal provision of environmental quality.
- 19.a. What are the causes and effects of global warming.
(or)
- 19.b. Discuss the causes of ozone depletion.
- 20.a. Explain briefly the Contingent valuation method of environmental valuation.
(or)
- 20.b. Explain the Hedonic pricing method and its criticisms with a diagram.
