


Name:	 UPES UNIVERSITY WITH A PURPOSE
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
Online End Semester Examination, December 2020

Course: Environmental Economics Program: BA (H) Economics Course code: ECON3001 Instructions: Do as Directed	Semester: III Time: 180 Minutes Max. Marks: 100
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SECTION A

- 1. Each Question will carry 5 Marks**
2. Instruction: Select the correct answer(s)

S. No.	Questions	CO
Q1	Efficiency means (a) maximization of society's total net benefits. (b) maximization of an individual's total net benefits. (c) both of the above. (d) none of the above.	CO1
Q2	A person cannot be excluded from consuming a public good, even when the person does not pay for the good. This characteristics of public good is called (a) non-rivalness. (b) non-excludability. (c) anthropocentricity. (d) rationality.	CO3
Q3	Free riding of public goods occurs because (a) nonpayers cannot be excluded from consuming public goods. (b) public goods are "free." (c) it is immoral to pay for public goods. (d) public goods have no value to people.	CO4
Q4	Use the two characteristics of public goods-nonrivalness and nonexcludability to identify which of the following is the best example of a public good (a) Jim Corbet National park (b) A textbook in environmental economics (c) An emergency warning siren located on top of the tallest building on your campus (d) Garbage collection service provided by a local government on a monthly fee basis	CO2
Q5	The relationship between environmental quality and economic growth is determined by : (a) Kuznets Curve (b) Lorenz Curve (c) Environmental Kuznets Curve (d) All of the above	CO3
Q6	Marginal Social Cost is given by : (a) Marginal Cost including marginal saving (b) Marginal Private Cost including Marginal Damage (c) Marginal Damage excluding marginal sacrifice	CO4

	(d) Marginal Private Cost excluding Marginal Damage	
SECTION B		
1. Each question will carry 10 marks		
2. Instruction: Write short / brief notes		
Q7	Elaborate the nature and scope of environmental economics	CO1
Q8	Assume a city starts buying dogs that bark at night. Let: MD=Q; MB=350-Q and PMC=50+Q Find ? i. Marginal Social Cost Function (MSC) ii. Individual Output level iii. Societal Output Level	CO4
Q9	Explain the theoretical underpinnings of Environmental Kuznets Curve.	CO3
Q10	Explain how Pigouvian taxes are relevant in internalizing the externalities.	CO4
Q11	In what sense does the environment have economic value?	CO2
SECTION-C		
1. Each Question will carry 20 Marks.		
2. Instruction: Write long answer.		
Q12	Describe total economic value of an environmental resource. A researcher estimates the following trip generating or demand function of an environmental resource: $V_{ij} = 0.23112 - 0.0256RTTC - 0.00221RDHS + 0.00821MI$ Where, RTTTC is the round travel cost, RDHS is the round distance from home to the site and MI is the monthly income of visitor. i. Interpret the demand function in your own words; ii. Estimate Consumer Surplus and iii. If population, N=550, calculate total recreational value/use value of the environmental resource. OR Discuss the advantages and limitations of Contingent Valuation Method.	CO2