

MA ECONOMICS SEM-III

END SEMESTER EXAMINATION 2016

Course Title: Natural Resource Economics

Course Code: PGECO3E006T

TIME: 3 HOURS

MAX. MARKS: 100

OBJECTIVE TYPE

MARKS: 1.5*10 = 15

Q1 Open access Resource is

- a) Non excludable
- b) Non rival
- c) Not managed
- d) All the above

Q2 What is not true regarding non-renewable resources

- a) Nature provided
- b) Use can be subtractive but with the capability of regenerating
- c) use is exhaustible
- d) None of these

Q3 Basic reason for the failure of scarcity hypothesis(Bowers,1997) is/are

a) As higher grade resources are exhausted ,lower grade resources are found in greater abundance .

b) Increases in prices stimulate exploration for new deposits and induce recycling

c) both a and b

d) neither a nor b

Q4 According to Environmental –Kuznets curve, environmental quality at the initial phase of development

- a) Deteriorates
- b) Improves
- c) Remain same
- d) none of these

Q5 The strong sustainability rule used by Pearce and Atkinson in their paper "Measuring Sustainable Development" is an empirical method of ascertaining whether countries are following a path of

a) Non-declining value of total manmade and natural capital.

b) Non-declining value of natural capital.

c) Non-declining flow of essential physical services of critical natural resources.

d) None of the above.

Q6 Establishes the principle that energy can neither be created nor destroyed
a) Coase theorem b) first law of thermodynamics c) Tradable permits d) Existence value

Q7 For the monopolist, 'Hotelling's Rule' is that

- a) Marginal revenue will grow at the rate of interest
- b) Price will grow at the rate of interest
- c) Both a and b
- d) Neither a nor b

Q8 Which one of the following characteristics is widely regarded as being an important aspect of sustainable development?

- a) Intergenerational equity b) Increasing consumption expenditure
- c) Intra generational equity d) Increased level of saving

Q9. Which of the following is/are the kind of externality generated by free access resources (fishery or forestry)

- a) Contemporaneous externality b) Inter-generational externality c) Both a and b d) Neither a nor b

Q10 Which branch of economics is more concerned with the static questions of resource allocation?

- a) Environmental economics b) Resource economics
- c) both a and b d) neither a nor b

MARKS; 8*5=40

Short answer type questions

Q11. How public goods and bad differ from private goods and bad?

OR

Q12 What are the differences between Open, Closed and Common Access Resources?

Q13 How are private property resource and common property resource related in the context of sustainable development.

OR

Q14 Define sustainable development. Discuss the various rules of sustainable development.

Q15 What are the conditions that must hold while depleting an exhaustible resources over time, along an optimal depletion path.

OR

Q16 Write a note on the following

- a) Hotelling Rule b) Resource Extraction and environmental cost

OR

Q18 Is economic efficiency compatible with sustainable forestry? Defend your answer?

Q19 Discuss the economic logic of land degradation.

OR

Q20 What are the externalities associated with the use of water

Long Answer Type Questions

*MARKS; 15*3=45*

Attempt Any Three

Q21 Why market fail in case of environmental goods and bads? .What changes can be made to correct market failure?

Q22. How do you define sustainable development? What are the indicators of sustainable development?

Q23 The supply behavior of a price taking owner of an exhaustible resource differs from that of an owner of ordinary goods or resources. Why?

Q24 Consider a case of fishery and derive the efficient level of yield. Is the MSY efficient? Give your reasons

Q25 Discuss the role of forest in Indian economy. What is socially optimal level of exploitation of forest