

Roll No



**PRESIDENCY UNIVERSITY  
BENGALURU**

**SET-A**

**SCHOOL OF COMMERCE  
END TERM EXAMINATION – MAY/JUNE 2024**

**Semester:** Semester VI - 2023 - 24

**Course Code:** BSE2034

**Course Name:** Environmental Economics

**Program:** B.Sc. Economics

**Date:** May 31, 2024

**Time:** 9:30AM – 12:30 PM

**Max Marks:** 100

**Weightage:** 50%

**Instructions:**

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

**PART - A**

**ANSWER ANY 5 QUESTIONS**

**5Q X 2M = 10M**

1. State few environmental Problems  
(CO1) [Knowledge]
2. Coase has explained that negotiations are important to procure right incentives for the externalities caused. Mention the conditions for such negotiations  
(CO1) [Knowledge]
3. Define Market Failure  
(CO2) [Knowledge]
4. Mention the meaning of Negative externality  
(CO2) [Knowledge]
5. what do you mean by Moral suasion of environmental policy?  
(CO3) [Knowledge]
6. How is the Optimum level of pollution decided  
(CO3) [Knowledge]
7. What do you mean by Water Market?  
(CO4) [Knowledge]

**PART - B**

**ANSWER ANY 5 QUESTIONS**

**5Q X 10M = 50M**

8. How does environmental economics connect with the sustainable economics  
(CO1) [Comprehension]

9. Elaborate on the Property rights theory and how it effects the negotiations (CO2) [Comprehension]
10. Explain the optimal level of pollution concept in your own words (CO3) [Comprehension]
11. Explain the Importance of bionomic equilibrium and biological mechanism (CO4) [Comprehension]
12. Elaborate on the scope and importance of Environmental economics (CO1) [Comprehension]
13. Elucidate on the types of externalities along with suitable examples. (CO2) [Comprehension]
14. How do property rights allocations shape incentives and behaviors regarding environmental stewardship and resource utilization in the context of environmental economics? (CO3) [Comprehension]

### PART - C

**ANSWER ANY 2 QUESTIONS**

**2Q X 20M = 40M**

15. Discuss common environmental challenges faced by societies worldwide. (CO1) [Application]
16. Elucidate on the environmental costs of economics. (CO2) [Application]

**17. Solve the Case Study.**

**Background:** Imagine a picturesque town nestled in the countryside, where pristine landscapes and clean air have long been cherished by its residents. However, with the recent influx of industrial activities, concerns have emerged regarding pollution and its impact on the environment and public health. As a concerned citizen, you've been tasked with proposing effective policies to mitigate these externalities while ensuring sustainable development.

**Question:** In devising strategies to combat externalities, three prominent methods come to light: Allocation of Property Rights, Moral Suasion, and Tradable Permits. Considering the unique context of this community, elaborate on each method's potential effectiveness, feasibility, and implications. Provide environmental and economic objectives of these methods

(CO3) [Application]