

M.A/M.Sc. 1st Semester Examination, 2010

ECONOMICS

PAPER—IV(ECO-104)

Full Marks : 40

Time : 2 hours

The figures in the right-hand margin indicate marks

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

Illustrate the answers wherever necessary

GROUP—A

1. Answer any *five* questions of the following : 2 x 5
 - (a) What is mixed good ?
 - (b) What is fiscal illusion ?

(Turn Over)

- (c) Distinguish between approval voting and voting by veto.
- (d) What is tyranny of majority ?
- (e) What is log-rolling ?
- (f) Explain the law of entropy in relation to environmental economics.
- (g) Distinguish weak sustainability and strong sustainability.
- (h) What is tradeable permit ?
- (i) Distinguish use value and non-use value.
- (j) What are the shapes of MAC and MDC ?

GROUP-B

Answer any *two* questions of the following : 5 x 2

2. Distinguish between pure and impure public goods. How can you make a taxonomy of such goods ?

3. Is majority voting rule always cost effective ?
Explain.
4. Distinguish WTP and WTA. Are they equal ?
5. Explain the travel cost method for valuation of environmental goods.

GROUP-C

Answer any *two* questions of the following : 10 x 2

6. Explain Arrow's impossibility theorem with suitable examples. What is the significance of this theorem ?
7. Explain the characteristics of majority voting rule. Does this rule guarantee Pareto improvement ?
8. Explain the steps involved in contingent valuation method. What are the biases associated with this method ?

9. Distinguish 'command and control' and incentive-based strategies. Which one should you prefer? Give arguments.
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