2008

M.A./ M.Sc.

1st Semester Examination

ECONOMICS WITH RURAL DEVELOPMENT

PAPER—IV

Full Marks : 40

Time : 2 Hours

The figures in the right-hand margin indicate full 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 : 2×5

(a) Distinguish pure public good and impure public good.

(b) What is merit good ?

(c) What is rational voter hypothesis ?

(d) What is moral hazard ?

(e) What is tyranny of majority ?

(f) Distinguish between market price and shadow price.

(g) What are the three important features of environmental good ?

(h) Define marginal damage function.

(i) What is deposit refund system ?

(j) What is PAM ?

Group—B

Answer any *two* questions of the following. 5×2

2. Give arguments in favour of the following statements :
   (a) The majority voting equilibrium, when it exists, reflects the preference of the median voter.
   (b) The majority voting equilibrium does not in general, results in an efficient supply of public good.
3. Explain Arrow's Impossibility Theorem.
4. Explain the tragedy of commons.
5. Explain the hedonic pricing approach for environmental valuation.

Group—C

Answer any *two* questions of the following. 10×2

6. (a) Explain how different shapes of social indifference curves can be derived from a general mathematical form of welfare function under different assumptions. 5
   (b) Explain the alternative model to Lindahl solution. 5
7. (a) What do you mean by single-peaked preferences? Show that cyclical outcome of the majority voting may not be removed even though preferences are single-peaked. 2+3
   (b) Examine critically coase theorem. 5
8. What is incentive-based strategy for pollution control? Why is it more efficient than CAC? Why is CAC more popular? 2+6+2
9. Explain the steps involved in Contingent Valuation Method (CVM) for valuation of environmental good. What are the limitations of this method? 8+2
