M.A./M.Sc. 2nd Semester Examination, 2015

ECONOMICS

PAPER – ECO-203

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 *two* questions :　　　　　2 × 2

   (a) What do you mean by optimum level of pollution ?

   (b) What is MSY ?

   (c) Mention some environmental considerations currently included in India's National Accounts.

(*d*) Compare public and environmental good.

2. Answer any *one* question from the following :

$$6 \times 1$$

(*a*) Distinguish between WTP and WTA.

(*b*) Explain the different steps in CVM.

3. Answer any *one* question from the following :

$$10 \times 1$$

(*a*) Explain hedonic pricing method (HPM) for valuation of environmental good.

(*b*) Find out the condition of the optimal use of renewable resource in dynamic model. What are the implications of the condition ?

GROUP – B

4. Answer any *two* questions : 2×2

(*a*) What are the major components of revenue expenditure ? Distinguish between revenue expenditure and capital expenditure.

(b) State the conditions of Pareto efficiency and distinguish between efficiency and equity.

(c) Define Bergson Social Welfare Function.

(d) What do you mean by excess burden of taxation ?

5. Answer any *one* question :   6 × 1

(a) Write brief notes on (i) individual preference ordering, (ii) majority voting and (iii) compensation principle in social choice.

(b) Explain, using a theoretical model, how the optimal composition of public expenditure is determined.

6. Answer any *one* question :   10 × 1

(a) Discuss the Arrow Impossibility Theorem of social choice mentioning the four conditions of ethical rule to be satisfied.

(b) Show that the impact of taxation depends on the price elasticity of demand and supply curves.

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