

**PARUL UNIVERSITY**  
**FACULTY OF ARTS**  
**B.ARTS Summer 2022-2023 Examination**

**Semester: - 06****Date: 10/03/2023****Subject Code: - 15101353****Time: 02:00pm to 04:30pm****Subject Name: - Environment and Natural Resource Economics****Total Marks: 60****Instructions:**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1 Do As Directed.****08**

- 1 The highest rate of harvest  $H$  that can be sustained by the fishery occurs where the growth rate of the fishery stock is at its maximum. This point is called \_\_\_\_\_  
 (A) Minimum sustainable yield (B) Maximum sustainable yield  
 (C) Minimum Sustained yield (D) Maximum sustained yield
- 2 If  $H > F(X)$ , what will happen?  
 (A) The stock  $X$  will decline until it reaches the high biomass equilibrium (B) The stock  $X$  will remain constant until it reaches the equilibrium  
 (C) The stock  $X$  will decline until it reaches the low biomass equilibrium (D) None of the above
- 3 Which among the following does NOT define a situation of Market failure?  
 (A) Information failure (B) Policy failures  
 (C) Missing markets for public goods (D) Availability of unlimited resources
- 4 During harvesting a particular stock  $X$ , If the stock  $X$  is larger, then for given (fixed) amount of effort  $E$ , the harvest rate will be \_\_\_\_\_.  
 (A) Larger (B) Smaller  
 (C) Constant (D) None of the above
- 5 Which among the following is NOT a Market based instrument?  
 (A) Emission Taxes (B) Tradeable permits  
 (C) Emission Subsidy (D) Zoning
- 6 What will happen if cost of abatement  $<$  Tax payments  
 (A) Producer will abate (B) Producer cannot decide  
 (C) Producer will not abate (D) None of the above
- 7 Which among the following can be considered as a better instrument?  
 (A) Taxes (B) Tradeable permits  
 (C) Subsidy (D) None of the above
- 8 In order to attain an equilibrium situation \_\_\_\_\_  
 (A) Marginal Benefit = Marginal Damage (B) Marginal Benefit  $>$  Marginal Damage  
 (C) Marginal Benefit  $<$  Marginal Damage (D) None of the above
- 9 \_\_\_\_\_ can be derived from our desire to preserve the environment for relatives and friends.  
 (A) Bequest value (B) Option value  
 (C) Non use value (D) Use value
- 10 What is the Environmental Economics?  
 (A) The branch of economics that studies how environmental and natural resources are developed and managed. (B) The psychological study of relationships between humans and natural resources.  
 (C) The branch of economics that shows how to exploit natural resources as quickly as possible. (D) All answers above are correct.

- 11 All points on contract curve are:  
 (A) Do not maximize social welfare (B) Are pareto efficient  
 (C) Are pareto improving (D) Are not pareto efficient
- 12 External costs signify \_\_\_\_\_  
 (A) Negative externality (B) Improving externality  
 (C) Positive externality (D) None of the above
- 13 Club goods are \_\_\_\_\_  
 (A) Non rivalrous, Excludable (B) Non rivalrous, Excludable  
 (C) Rivalrous, Excludable (D) Non rivalrous, Non-Excludable
- 14 The study of change housing prices with change in the quality of environment is called as:  
 (A) Hedonic pricing method (B) Contingent valuation method  
 (C) Travel cost method (D) None of the above
- 15 \_\_\_\_\_ are defined as those benefits or welfare gains/losses to individuals that arise from environmental changes independently of any direct or indirect use of the environment.  
 (A) Non-use values (B) Use values  
 (C) Existence value (D) Indirect use value
- 16 \_\_\_\_\_ is used to estimate economic use values associated with ecosystems or sites that are used for recreation.  
 (A) Hedonic pricing method (B) Contingent valuation method  
 (C) Travel cost method (D) None of the above

**B. Terms / Short Notes / Case Study / Charts / Graphs/ Tables, etc. (Each of 01 mark)**

**(07)**

- 1 Explain the term "Bio economics".
- 2 Define "Abatement".
- 3 Who created the Transaction cost approach?
- 4 Define "Option Value".
- 5 Explain the term "pareto optimality".
- 6 Give any one example of Negative externality.
- 7 Give any two methods used under Command & Control Instruments.

**Q.2 Answer the following.**

- 1 Write a short note on common property resources **(04)**
- 2 Briefly explain Market Based Instruments **(04)**
- 3 Discuss environmental valuation in detail **(04)**

**OR**

- 3 Write a short note on functions of Eco system & Bio diversity. **(04)**

**Q.3 Answer the following.**

- 1 Discuss the impact of Emission Subsidy on the production process. **(05)**
- 2 Explain Travel cost method in detail. **(05)**
- 3 Write a short note on Public goods and its types. **(05)**

**OR**

- 3 Write a short note on Adverse Effects of the Polluted Environment on the Economy. **(05)**

**Q.4 Answer the following.**

- 1 Explain various causes of environmental degradation in detail. **(06)**
- 2 Discuss the impact of taxes on the process of production. **(06)**
- 3 Write a short note on the importance of biodiversity. **(06)**

**OR**

- 3 Briefly discuss biological mechanics of fishery. **(06)**