



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

M.A. DEGREE EXAMINATION – ECONOMICS

FOURTH SEMESTER – APRIL 2025

PEC4MC04 – ENVIRONMENTAL ECONOMICS



Date: 30-04-2025

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A – K1 (CO1)

Answer ALL the questions

(5 x 1 = 5)

1 State True or False

- Incentives in environmental economics always denote positive benefits.
- The marginal abatement cost curve rises upward from right to left.
- The factor determinants of monetary or fiscal policies are considered under social factors in PESTEL analysis.
- Standards are categorized as command-and-control approach.
- The Kyoto Protocol is concerned with reduction of Green House Gas emissions.

SECTION A – K2 (CO1)

Answer ALL the questions

(5 x 1 = 5)

2 Explain the following concepts in one or two sentences

- Ambient quality
- Social cost
- Liability laws
- Opportunity cost
- Multilateral agreements

SECTION B – K3 (CO2)

Answer any THREE of the following in 100 words each.

(3 x 10 = 30)

- “The dynamics between economic growth and environmental quality is a two-way causality” – Validate the above statement.
- Demonstrate how the Aggregate Willingness to Pay Curve is derived using your own numerical example. Draw relevant diagrams.
- Explain the steps and importance of Environmental Analysis.
- Explain the three types of Environmental Standards.
- Compare the production possibility curves of developed and developing nations as a trade-off between marketed output and environmental quality.

SECTION C – K4 (CO3)

Answer any TWO of the following in 200 words each.

(2 x 12.5 = 25)

- Derive the marginal cost curve for environmental goods. Draw the typical MC curves and interpret them.
- Illustrate the three types of trading systems for achieving more efficient pollution control.
- “The Montreal Protocol had an outstanding success in achieving a multilateral agreement” – Outline the success story of the Protocol.
- Give an account of environmental degradation in developing economies.

SECTION D – K5 (CO4)

	Answer any ONE of the following in 500 words (1 x 15 = 15)
12	Illustrate the application of Benefit-Cost analysis in conducting Environmental analysis
13	Explain the physical problem of global climate change.

SECTION E – K6 (CO5)

	Answer any ONE of the following in 1000 words (1 x 20 = 20)
14	Demonstrate the concept of sustainability between present and future generations using the PPCs.
15	Elucidate how to determine the socially efficient level of emissions using the marginal damage and marginal abatement cost curves.
