

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BA DEGREE EXAMINATION MAY 2026
(Sixth Semester)

Branch - ECONOMICS

ENVIRONMENTAL ECONOMICS

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Environmental quality refers to (i) Level of industrial output (ii) Condition of air, water, and land (iii) Growth of GDP (iv) Financial stability	K1	CO1
	2	Global warming is mainly caused by the increase in (i) Oxygen (ii) Nitrogen (iii) Greenhouse gases (iv) Ozone	K2	CO1
2	3	Which of the following is a major source of air pollution? (i) Solar energy (ii) Wind energy (iii) Automobile exhaust (iv) Rainwater harvesting	K1	CO2
	4	Bio-energy is energy obtained from (i) Fossil fuels (ii) Nuclear fuels (iii) Wind (iv) Biological sources	K2	CO2
3	5	The compensation principle is associated with (i) Pareto (ii) Hicks and Kaldor (iii) Pigou (iv) Samuelson	K1	CO3
	6	Which of the following is a feature of common property resources? (i) Complete private ownership (ii) Restricted access (iii) Open access and overuse (iv) Zero consumption	K2	CO3
4	7	According to Coase Theorem, efficient outcome depends on (i) High taxes (ii) Zero transaction cost (iii) Government control (iv) Subsidies	K1	CO4
	8	The main rationale for regulating pollution is (i) Market failure (ii) Free trade (iii) Perfect competition (iv) Consumer surplus	K2	CO4
5	9	The Travel Cost Method is mainly used to value (i) Market goods (ii) Recreational sites (iii) Industrial output (iv) Capital goods	K1	CO5
	10	The Tuna-Dolphin case is related to (i) Labour standards (ii) Marine protection (iii) Agriculture (iv) Energy policy	K2	CO5

Cont...

SECTION - B (35 Marks)Answer **ALL** questions**ALL** questions carry **EQUAL** Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Explain the historical approaches to natural resource scarcity.	K2	CO1
		(OR)		
	11.b.	Illustrate the importance of environmental standards.		
2	12.a.	Show the biological treatment process of wastewater.	K1	CO2
		(OR)		
	12.b.	What are the sources of bio-energy?		
3	13.a.	Apply the Pareto criterion of social welfare function.	K3	CO3
		(OR)		
	13.b.	Identify the compensation principle in environmental economics.		
4	14.a.	Analyze the role of bargaining in resolving pollution problems.	K4	CO4
		(OR)		
	14.b.	Examine Pigovian fees as a method of pollution control.		
5	15.a.	Explain the Beef–Hormone dispute in WTO.	K5	CO5
		(OR)		
	15.b.	Assess the Shrimp–Turtle case and its impact on environmental measures under WTO rules.		

SECTION -C (30 Marks)Answer **ANY THREE** questions**ALL** questions carry **EQUAL** Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Summarize the causes and economic implications of global warming.	K2	CO1
2	17	Explain the air pollution control technology through better fuel counter measures.	K2	CO2
3	18	Identify the main features of common property resources.	K3	CO3
4	19	Analyze the role of political economy in environmental regulation.	K4	CO4
5	20	Explain the significance of the Sustainable Development Framework (2018–2022) in promoting environmental sustainability.	K5	CO5

Z-Z-Z

END