

Q1.

- 1) Discuss the economic feasibility of transitioning from fossil fuels to renewable energy sources on a global scale. What are the main barriers to widespread adoption of renewable energy technologies? (7marks)
- 2) Analyze the economic implications of implementing stringent environmental regulations on industries. How can cost-effective regulatory approaches be balanced with environmental protection goals? (7marks)

OR

- 1) How do carbon pricing mechanisms, such as cap-and-trade systems, influence investment decisions in carbon-intensive industries? (7marks)
- 2) Assess the role of government subsidies and incentives in promoting the development and deployment of renewable energy infrastructure. How do these interventions impact market dynamics and investment decisions? (7marks)

Q2.

- 1) Explore the concept of "green growth" and its potential to reconcile environmental sustainability with economic development objectives. Provide examples of countries successfully implementing sustainable development strategies. (7marks)
- 2) Evaluate the economic benefits of preserving marine ecosystems and biodiversity. How can economic instruments such as marine protected areas contribute to sustainable ocean management? (7marks)

OR

- 1) Discuss the role of stakeholder engagement and regulatory flexibility in designing effective environmental policies. How can policymakers mitigate adverse economic effects on vulnerable communities? (7marks)
- 2) Assess the trade-offs between short-term economic gains and long-term environmental degradation in pursuit of traditional economic growth models. How can policymakers incentivize sustainable practices within industries? (7marks)

Q3.

- 1) Discuss the challenges of scaling up circular economy initiatives at the industry and policy levels. How can businesses and governments overcome barriers to implementing circularity strategies? (7marks)
- 2) Evaluate the economic costs of climate-induced changes on a global and regional scale, considering factors such as agricultural productivity, infrastructure damage, and displacement of populations. How can economic modeling techniques help quantify these impacts? (7marks)

OR**P.T.O.**

- 1) Discuss the challenges associated with implementing effective economic policies for ocean conservation on a global scale. How can international cooperation and governance mechanisms address these challenges? (7marks)
- 2) Discuss the role of healthcare systems and public health interventions in addressing the intersection of climate change and global health. How can economic incentives be aligned with public health goals to enhance climate resilience? (7marks)

Q4.

- 1) Assess the economic benefits of transitioning to a circular economy model, including reduced resource consumption, increased resource efficiency, and job creation. How can circular economy principles be integrated into waste management practices? (7marks)
- 2) Assess the economic implications of investing in green technologies and innovation for climate mitigation and adaptation. How can policies support research and development efforts to accelerate the deployment of environmental technologies? (7marks)

OR

- 1) Discuss the challenges of implementing sustainable urban development strategies in rapidly growing cities. How can public-private partnerships and innovative financing mechanisms support sustainable urbanization efforts? (7marks)
- 2) Discuss the role of insurance and financial risk management mechanisms in mitigating the economic risks associated with climate change. How can adaptation strategies be integrated into long-term economic planning? (7marks)

Q5. Multiple Choice Questions:

14 Marks

(Attempt any 7 out of 12 questions)

1. Which situation best exemplifies a market failure?
 - A) Perfect competition leading to efficient allocation of resources
 - B) Monopoly pricing resulting in consumer surplus
 - C) Inadequate provision of public goods due to free rider problem
 - D) Government subsidies stimulating innovation in the private sector
2. Which characteristic distinguishes public goods from private goods?
 - A) Excludability
 - B) Rivalry in consumption
 - C) Exclusive ownership rights
 - D) Profit-driven production
3. What type of externality occurs when the production or consumption of a good imposes costs on third parties not involved in the transaction?
 - A) Positive externality
 - B) Negative externality
 - C) Internalized externality
 - D) Coase theorem

4. In the context of market failures, what does the term "information asymmetry" refer to?
- A) Equilibrium between supply and demand
 - B) Unequal distribution of income
 - C) Imbalance of power between buyers and sellers
 - D) Differential access to relevant information among market participants
5. What is a positive externality?
- A) When the production or consumption of a good benefits third parties
 - B) When the production or consumption of a good imposes costs on third parties
 - C) When consumers are unable to exclude others from using a good
 - D) Which scenario illustrates market failure due to the tragedy of the commons?
6. What is the primary challenge associated with addressing negative externalities in a market economy?
- A) Lack of government intervention
 - B) Incomplete property rights
 - C) Overregulation of industries
 - D) Excessive competition among firms
7. Which concept describes the situation where markets fail to allocate resources efficiently due to the presence of external costs or benefits?
- A) Invisible hand
 - B) Pareto efficiency
 - C) Market externality
 - D) Market failure
8. Which of the following is a characteristic of a cap-and-trade system?
- A) Fixed carbon tax rate
 - B) Tradable emission permits
 - C) Government subsidies for renewable energy
 - D) Voluntary emission reduction targets
9. How does public investment contribute to economic growth and development?
- A) By maximizing profits for private investors
 - B) By creating employment opportunities and improving infrastructure
 - C) By minimizing government intervention in the economy
 - D) By promoting speculation and risk-taking in financial markets

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10. What role does government intervention typically play in addressing market failures?
- A) Facilitating monopolistic practices to ensure market stability
 - B) Providing subsidies to private firms to encourage competition
 - C) Implementing regulations and policies to correct inefficiencies and externalities
 - D) Withdrawing from economic affairs to allow markets to self-regulate
11. In the context of market failure, what does the term "externality" refer to?
- A) Efficient allocation of resources through market mechanisms
 - B) A situation where the market price does not reflect the full costs or benefits of production or consumption
 - C) Inequality in the distribution of income and wealth
 - D) Regulation imposed by the government to correct market inefficiencies
12. How do green bonds contribute to sustainable finance?
- A) By financing projects that mitigate climate change and promote environmental protection
 - B) By exclusively funding projects in the fossil fuel industry
 - C) By maximizing short-term profits for investors
 - D) By ignoring environmental considerations in investment decisions
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