**Lesson Plan: M.A. 3rd Semester**

**ECONOMICS OF ENVIRONMENT AND SOCIAL SECTOR**

November: Unit – I

Environment, ecology and economy; Pareto optimality and perfect competition; External effects in production and consumption; Market failure in case of environmental goods - incomplete markets, externalities, non-exclusion; non-rivalry; non-convexities and asymmetric information.

December: Unit – II

Environmental policy framework in India - problems of command & control regime; New Environment Policy. Natural resources: types, classification and scarcity; Elementary capital theory; Economics of natural resources.

January: Unit – III

Economic instruments for environmental protection; Pollution charges, ambient charges, product charges, subsidies; Liability rules - non-compliance fees, deposit refund system, performance bonds. Marketable pollution permits; Evaluative criteria of and practical conditions for use of the economic incentives; Mixed instruments; Choice among policy instruments. Estimation of marginal cost of pollution abatement for designing the pollution tax.

February: Unit – IV

Coase’s bargaining solution and collective action. Measures of economic value of environment WTP and WTAC; Contingent valuation method; Travel cost method; Hedonic market methods; Averting behaviour approach - household health production function method.

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