Enrolment No.: ....

Institute of Health Management Research

MBA Hospital and Health Management
Batch-28th (2023-2025)
First Year, Term 2 End Term Examinations, January 2024

CC – 610 Essentials of Health Economics and Financing

Time - 3 Hour **Maximum Marks: 50 (Minimum Marks: 20)**

Instructions to students:

- **This question paper contains 1 printed page.**
- **Don't write anything on the Question Paper except writing your Enrolment No.**

Part A (Maximum Marks: 5)

Q1. Fill in the blanks / State True & False, as applicable for the following (1 mark each):

(a) When the price of a good affects the demand of another good inversely, both goods are _____________to each other.

(b) It is a good idea to tax a price inelastic commodity. (true/false)

(c) You make a choice when its opportunity cost is ____.

(d) It is possible to improve the market outcomes in a market that is failing due to multiple distortions by correcting any one distortion. (T/F)

(e) Indifference curves can intersect each other. (T/F)

Part B

(Maximum Marks: 15)

Answer the following questions, in brief:

Q6.	What do you mean by substitution effect and income effect in relation to demand?	(4)
Q7.	What do you mean by consumer and producer surplus?	(3)
Q8.	What are various ways in which governments can respond to market failure in healthcare?	(4)
Q9.	What are two major approaches to costing of healthcare services? Explain the differences with example.	(4)

Part C

(Maximum Marks: 30)

Answer the following questions, in detail :

Q10. Explain the rational decision making of an individual with budget line of Rs 100 and expenditure on health and non-health needs. Include All assumptions (10)

(i) A diagram with budget line and indifference curve
(ii) Explain the decision-making process
(iii) Chief decision-making criteria

Q11. Fast-food are becoming very popular (although some people still prefer cooking food at home). Fast foods are a leading cause of obesity which is a risk-factor for NCDs. (12)
Explain the factors determining a person's preference for take-away vs self-cooking.
Which Economics concepts explain the increasing popularity of fast foods?
Is a higher tax on fast-food makes a good policy decision to control obesity and NCD? Explain with reasons.

Q12. What do you mean by OOP expenditure on health? Explain various consequences of high-levels of OOP expenditure of a household's budget on healthcare in increasing order of severity. (8)