

**Post Graduate Diploma in Management (Hospital & Health Management)**  
**PGDM – 2022-24 Batch**

**Term – 1<sup>st</sup> Year 2<sup>nd</sup> Term End Examination**

<b>Course &amp; Code</b>	<b>: CC-610-Essentials of Health Economics</b>	<b>Reg. No.</b>	<b>:</b>
<b>Term &amp; Batch</b>	<b>: II, 2022-24</b>	<b>Date</b>	<b>: 22/02/2023</b>
<b>Duration</b>	<b>: 3 Hrs</b>	<b>Max. Marks</b>	<b>: 70</b>

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**Instructions:**

- Budget your time as per the marks given for each question and write your answer accordingly.
  - Don't write anything on the Question Paper except writing your Registration No.
  - Mobile Phones are not allowed even for computations.
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**Part A: Q. 1 to Q.10 (10 questions\*1 marks = 10 marks).**

**Q.1** When prices increase, the quantity demand will also increase. (True/False)

**Q.2** What is Engel's curve?

**Q.3** What happens to total expenditure on a commodity when its price falls, and its demand is price elastic?

- A. Total expenditure will increase.
- B. Total expenditure will decrease.
- C. Total expenditure remains unchanged.

**Q.4** Opportunity cost is a measure of

- A. Foregone opportunities.
- B. Value in terms of the cost of production.
- C. The difference between production cost and resource cost.
- D. The loss of potential benefits from other options when one option is chosen.
- E. A & D
- F. C & D

**Q.5** What is Incremental Cost Effectiveness Ratio?

**Q.6** The percentage change in quantity supplied due to the percentage change in price is called price elasticity of demand. (True/False)

**Q.7** NHA stands for:

- a) National Hospital Accounts
- b) National Housing Accounts
- c) National Health Association
- d) National Health Accounts

**Q.8** Doctors earn more than nurses because:

- A. There is an excess supply of doctors.
- B. There is an excess demand for doctors.
- C. There is a National Minimum Wage
- D. There is an excess demand for nurses.

**Q.9** What is long run production function?

**Q. 10** Give an example of a positive externality in the health care.

**Part B: Q.11 to Q.16 (4 questions \*5 Marks =20 Marks) Attempt any four.**

**Q.11** What is 'Price Ceiling'? Give a suitable example of 'Price Ceiling' in the Indian Health Care Market. (Marks 2.5+2.5)

**Q.12** Describe the nature and scope of health economics in India. (Marks 5)

**Q.13** Write a short note on Cost-Effective Analysis for evaluation of health care with a suitable example. (Marks 4+1)

**Q.14** How will you find out and measure the demand and supply for health care products in India? (Marks 5)

**Q.15** Briefly describe the various sources of healthcare financing in India. (Marks 5)

**Q. 16** Assess the validity of the following statements with proper justification.  
"Medical care is different from other commodities."

**Part C: Q.17 to Q.21 (4 questions \*10 Marks =40 Marks) Attempt any four.**

**Q.17** What are the various approaches for monetary evaluation of health outcomes? Give suitable examples for each category. (Marks 6+4=10)

**Q. 18** Fill in the blanks for the following:

(Marks 10)

Indicators	NHA India 2018-19
Total health expenditure as a % of GDP	
Total government health expenditure as a % of total health expenditure	
Out-of-pocket health expenditure as a % of total health expenditure	
Private health insurance as a % of total health expenditure	
Social health insurance expenditure as a % of total health expenditure	

**Q.19** Complete the following table:

(Marks 10)

Output	Fixed Cost	Variable Cost	Total Cost	Marginal Cost	Average Cost
1	100	50			
2	100	80			
3	100	100			
4	100	110			
5	100	150			
6	100	220			
7	100	350			
8	100	640			

**Q.20** What are fixed, variable, and semi-variable costs? Illustrate with a suitable example applying all three types of cost in Private Hospital (Marks 10)

**Q21** A dentist was charging Rs. 300 for a standard cleaning job, and per month it used to generate total revenue equal to Rs. 30,000. She has increased the price of dental cleaning to Rs. 350 since last month. As the result of, few customers are now coming for dental clearing, but the total revenue is now Rs. 33,250. From this, what can we conclude about the elasticity of demand for such a dental service. Calculate Price Elasticity of Demand (PED) by proportionate method. (Marks 10)