



**International Institute of Health Management Research (IIHMR), New Delhi.
POSTGRADUATE DIPLOMA HOSPITAL AND HEALTH MANAGEMENT
(Batch 2019-2021)
Essentials of Health Economics
CC 610
End Term Examination**

Time allowed: 3 hrs

Max. Marks: 70

Part A: (5 questions*2 marks = 10 marks)

Q. 1 Fill-in the blanks for the following:

(a) Which financing scheme contribute the maximum to the total current health expenditure in India, and by how much in 2013-14?

Name of the financing scheme -----

% Contribution -----

(b) Which source of financing (revenues of financing scheme) contribute the maximum to the total current health expenditure in India, and by how much in 2013-14?

Name of the source of financing -----

% Contribution -----

(c) Which provider of health care contribute the maximum to the total current health expenditure in India, and by how much in 2013-14?

Name of the health care provider -----

% Contribution -----

(d) Which health care function contribute the maximum to the total current health expenditure in India, and by how much in 2013-14?

Name of the health care function -----

% Contribution -----

(e) What is the percentage contribution of out-of-pocket health expenditure to total health expenditure in India in 2004-05 and 2013-14?

OOPE (%) in 2004-05 -----

OOPE (%) in 2013-14 -----

Part B: (5 questions *4 marks =20 marks)

Define and explain the following concepts through graphs:

Q. 2 Change in supply vs. Change in quantity supplied

Q. 3 Production Possibility Frontier

Q. 4 Engel Curve

Q. 5 Change in demand vs. Change in quantity demanded

Q. 6 Average product vs. Marginal product (in the context of health production function)

Part C: (4 questions*10 marks = 40 marks)

Attempt any four questions out of the six.

Q. 7 The following table provides data on Costs and Outcomes for alternative diagnostic strategies for 516 patients with clinically suspected deep-vein thrombosis.

Programme	Costs (\$ US)	Outcomes (No. of correct diagnoses)
1. IPG (alone)	201400	102
2. IPG plus out-patient venography if IPG negative	383000	176

(a) Calculate the ICER of Programme 2 over Programme 1

(b) Depict graphically the Average and Incremental Cost-effectiveness ratios.

Q. 8 Consider the following data on Wine Bottler

Sales price per bottle: US \$ 13.00
Variable costs per bottle:
Wine: bought at US \$ 750 per barrel; each barrel yields 150 bottles (5 \$ per bottle)
Bottle and label: US \$ 1.50
Cork: US \$ 0.80
Fixed costs per month:
Labour: US \$ 2800
Rent equipment and facilities: US \$ 1300

(a) Calculate break-even quantity per month

(b) What would happen to net revenues if an additional 10 bottles are sold, beyond the break-even quantity

(c) Illustrate your results through graphs

Q. 9 Calculate the average costs and marginal costs on the basis of the following data:

IUD insertion
Assume one doctor is paid 320 dollar per day
Assume IUD costs 12 dollar
Assume related materials and supplies cost 8 dollar
Assume overhead of 140 dollar per day
Assume one doctor was hired for 12 days, and one more doctor was hired from 8th day to 12th day
Data on IUD insertion per day for 12 days: 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21

Q. 10 Provide a comparison of the following concepts:

- (a) Cost-Outcome Description vs. Efficacy/Effectiveness Evaluation**
- (b) Cost-effectiveness Analysis (CEA) vs. Cost-benefit Analysis (CBA)**

Q. 11 Why health care markets “fail”? Illustrate with suitable examples.

Q. 12 Discuss briefly the following in the context of ‘Health, Economics and Social Choice’:

- (a) What is the basic economic problem? Describe the contrasting point of view.**
- (b) Discuss the three fundamental observations of the world from economic point of view.**
- (c) Discuss the major healthcare problems.**

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