



**International Institute of Health Management Research (IIHMR), New Delhi.  
POSTGRADUATE DIPLOMA HOSPITAL AND HEALTH MANAGEMENT  
(Batch 2020-2022)  
Essentials of Health Economics  
CC 610  
End Term Examination**

**Time allowed: 2 hrs**

**Max. Marks: 70**

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**Part A: (5 questions\*3 marks = 15 marks)**

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

**(a) What is the share of household health expenditure to total health expenditure in India in 2004-05 and 2013-14?**

**2004-05 -----**

**2013-14-----**

**(b) What is the share of social health insurance expenditure to total health expenditure in India in 2004-05 and 2013-14?**

**2004-05 -----**

**2013-14-----**

**(c) What is the share of current health expenditure to total health expenditure in India in 2004-05 and 2013-14?**

**2004-05 -----**

**2013-14-----**

**(d) What is the share of out of pocket expenditure to total health expenditure in India in 2004-05 and 2013-14?**

**2004-05 -----**

**2013-14-----**

**(e) What is the share of total health expenditure to gross domestic product in India in 2004-05 and 2013-14?**

**2004-05 -----**

**2013-14-----**

**Part B: (5 questions \*5 marks =25 marks)**

Define and explain the following concepts:

**Q. 2 Production possibility frontier**

**Q. 3 Price elasticity of demand**

**Q. 4 Engel Curve**

**Q. 5 Law of diminishing returns**

**Q. 6 Externality**

**Part C: (2 questions\*15 marks = 30 marks)**

Attempt any TWO questions out of the three.

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

<b>Programme</b>	<b>Costs (\$ US)</b>	<b>Outcomes (No. of correct diagnoses)</b>
<b>1. IPG (alone)</b>	<b>201000</b>	<b>112</b>
<b>2. IPG plus out-patient venography if IPG negative</b>	<b>382000</b>	<b>168</b>

- (a) Calculate the ICER of Programme 2 over Programme 1
- (b) Plot ICER graphically

**Q. 8 Consider the following data on Wine Bottler**

<b>Sales price per bottle: US \$ 12.00</b>
<b>Variable costs per bottle:</b> <b>Wine: bought at US \$ 750 per barrel; each barrel yields 150 bottles (5 \$ per bottle)</b> <b>Bottle and label: US \$ 1.25</b> <b>Cork: US \$ 0.40</b>
<b>Fixed costs per month:</b> <b>Labour: US \$ 2900</b> <b>Rent equipment and facilities: US \$ 1200</b>

- (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

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

<b>IUD insertion</b>
<b>Assume one doctor is paid 340 dollar per day</b>
<b>Assume IUD costs 16 dollar</b>
<b>Assume related materials and supplies cost 9 dollar</b>
<b>Assume overhead of 180 dollar per day</b>
<b>Assume one doctor was hired for 12 days, and one more doctor was hired from 7<sup>th</sup> day to 12<sup>th</sup> day</b>
<b>Data on IUD insertion per day for 12 days:</b> <b>12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23</b>

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