PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MA DEGREE EXAMINATION MAY 2025
(Fourth Semester)

Branch - ECONOMICS

HEALTH ECONOMICS

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)
Answer ALL questions
ALL questions carry EQUAL marks $\qquad$ (10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	What is the definition of health as per WHO? a) Absence of disease b) Complete physical, mental, and social well-being c) The ability to work productively d) A state of economic stability	K1	CO1
	2	Which economic concept explains why doctors have more information about treatment than patients? a) Uncertainty b) Opportunity cost c) Asymmetric knowledge d) Externalities	K2	CO1
2	3	Which margin considers expanding healthcare access to more people? a) Intensive margin b) Extensive margin c) Cost-benefit margin d) Randomized margin	K1	CO1
	4	What is a key method used to measure health improvements? a) Randomized Controlled Trials (RCTs) b) Inflation Index c) Cost Accounting d) GDP Growth Rate	K2	CO1
3	5	What happens to medical care demand during an illness event? a) Demand decreases b) Demand becomes elastic c) Demand increases as healthcare services are needed urgently d) Demand remains constant	K1	CO1
	6	Which factor directly shifts the demand curve for medical care? a) Changes in healthcare supply b) Changes in consumer preferences and health status c) Fixed government expenditure d) Price controls on medicines	K2	CO1
4	7	Hospitals act as suppliers of a) Medical care services b) Insurance policies c) Medical research grants d) Pharmaceuticals	K1	CO1
	8	Which economic model explains the behavior of not-for-profit hospitals? a) Profit Maximization Model b) Political Theory Model c) Monopoly Market Model d) Perfect Competition Model	K2	CO1
5	9	Who developed the Theory of Health Insurance? a) Adam Smith b) John Maynard Keynes c) John Nyman d) Milton Friedman	K1	CO1
	10	What is the primary purpose of health insurance? a) To increase hospital revenue b) To cover the cost of medical expenses c) To eliminate health risks d) To replace income after retirement	K2	CO1

Cont...

SECTION - B (35 Marks)
Answer **ALL** questions
ALL questions carry **EQUAL** Marks   (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Illustrate the role of epidemiology in health economics.	K2	CO1
		(OR)		
	11.b.	Explain the concept of market interrelation to medical care and health insurance.		
2	12.a.	Discuss the economic appraisal of health care.	K3	CO3
		(OR)		
	12.b.	Examine the process of cost benefit approach.		
3	13.a.	Elucidate the effects of increase in income.	K3	CO3
		(OR)		
	13.b.	Enumerate the role of indemnity insurance in healthcare.		
4	14.a.	Distinguish between long-run and short-run costs in hospitals.	K4	CO4
		(OR)		
	14.b.	Examine the utility function of a not-for-profit hospital.		
5	15.a.	Analyze the impact of medical care demand elasticity on health insurance coverage.	K4	CO5
		(OR)		
	15.b.	List out the challenges of health insurance in developing countries.		

SECTION -C (30 Marks)
Answer **ANY THREE** questions
ALL questions carry **EQUAL** Marks   (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Analyze the importance of health infrastructure at the national level.	K4	CO4
2	17	Examine the principles of the cost-benefit approach in economic appraisal.	K4	CO4
3	18	Discuss the impact of patients' beliefs on the quality of healthcare services.	K6	CO5
4	19	Explain the role of a hospital as a supplier of medical care in the healthcare market.	K5	CO5
5	20	Critically analyze John Nyman's Theory of Health Insurance.	K5	CO5

Z-Z-Z   END