25HAP211

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MSc DEGREE EXAMINATION MAY 2026
(Second Semester)

Branch – **HOSPITAL ADMINISTRATION**

HEALTH ECONOMICS

Time: Three Hours Maximum: 75 Marks

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

Module No.	Question No.	Question	K Level	CO
1	1	Which of the following best describes the primary focus of health economics? (i) Studying the biological causes of diseases (ii) Analyzing the allocation of healthcare resources to maximize efficiency and equity (iii) Developing new medical technologies and treatments (iv) Training healthcare professionals in clinical practices	K1	CO1
	2	Explain why is health economics considered important in healthcare systems? (i) It helps in discovering new medicines and treatments (ii) It ensures efficient use of limited healthcare resources for maximum benefit (iii) It focuses only on the training of doctors and nurses (iv) It eliminates the need for government involvement in healthcare	K2	CO1
2	3	Which stage of the Law of Variable proportions is characterized by increase in marginal returns (i) Stage II (ii) Stage I (iii) Stage III (iv) Stage IV	K1	CO2
	4	Infer which of the below The Theory of Production in health economics primarily explains (i) How hospitals maximize profits through patient fees (ii) The relationship between inputs (resources) and outputs (health services) (iii) How government subsidies reduce healthcare costs (iv) The role of insurance in healthcare financing	K2	CO2
3	5	List Under perfect competition, the price of a healthcare service is determined by (i) Individual hospitals setting their own rates (ii) Government regulation only (iii) Market demand and supply equilibrium (iv) Insurance companies alone	K1	CO3
	6	Which of the below options refers to Product differentiation in healthcare markets (i) Offering identical services by all providers (ii) Distinguishing services through quality, branding, or specialization (iii) Government regulation of hospital pricing (iv) Eliminating competition among providers	K2	CO3
4	7	Which according to marginal productivity theory, fair distribution occurs when (i) Each factor of production is paid according to its contribution to output (ii) Government fixes wages and prices (iii) Hospitals maximize profits regardless of staff pay (iv) Patients pay uniform fees for all services	K1	CO4
	8	Relate how In health economics, national income is important because: (i) It determines the allocation of resources to healthcare (ii) It eliminates private hospitals (iii) It fixes uniform wages for doctors (iv) It reduces patient demand	K2	CO4

Cont...

5	9	Choose how In Globalization and privatization together have (i) Increased India's role as a global medical hub (ii) Reduced patient inflow from abroad (iii) Eliminated private insurance schemes (iv) Lowered healthcare standards	K1	CO5
	10	Which initiative is driving the creation of digital health records in India? (i) Ayushman Bharat Digital Mission (ii) Swachh Bharat Abhiyan (iii) Make in India (iv) Digital India Payments Mission	K2	CO5

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.	Explain the theories of utility.	K4	CO1
		(OR)		
	11.b.	Construct the concept of Indifference Curve Theory, with relation to health economics.		
2	12.a.	Elaborate Factors of Production in Health Economics.	K6	CO3
		(OR)		
	12.b.	Create a comparative diagram of short-run and long-run cost curves in healthcare.		
3	13.a.	Discuss the role played by government in Internality and Externality on Industry Supply in Health Economics.	K6	CO3
		(OR)		
	13.b.	Compare the ancient Indian market structures to modern economic categories(like monopoly, oligopoly, perfect competition).		
4	14.a.	Explain how In health economics, healthcare resources and rewards are shared among stakeholders, and why policy interventions are necessary to balance efficiency with equity.	K4	CO1
		(OR)		
	14.b.	Categorize the Fundamental concept of National Income.		
5	15.a.	Compare the advantage of AYUSH as an export potential to the Medical value travel.	K5	CO4
		(OR)		
	15.b.	Evaluate the effect of globalization and privatization in health economics in India.		

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	Explain the theory of demand, law of demand in health economics.	K4	CO1
2	17	Elaborate with sketch a simple diagram showing the three phases of the law of variable proportion applied to hospital staffing.	K5	CO4
3	18	Analyze with diagram showing the intersection of money demand (liquidity preference curve) and money supply, applied to healthcare investment decisions? and Keynesian Theory of Interest – Liquidity Preference.	K4	CO2
4	19	Discuss Inflation in macroeconomics, explain demand-pull inflation and cost-push inflation.	K6	CO3
5	20	Explain in details the emerging trends in Health and Wellness Tourism in India.	K5	CO4

Z-Z-Z END