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**BRAINWARE UNIVERSITY**

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**Term End Examination 2024-2025****Programme – BBA(HM)-Hons-2023/BBA(HM)-Hons-2024****Course Name – Health Economics****Course Code - BHM20001****( Semester II )****Full Marks : 60****Time : 2:30 Hours**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

**Group-A****(Multiple Choice Type Question)****1 x 15=15****1. Choose the correct alternative from the following :**

- (i) What does the wealth definition of economics primarily focus on?
- |   |  |
|---|--|
| a) Allocation of resources              | b) Production and distribution of goods and services |
| c) Accumulation of material possessions | d) Maximizing utility                                |
- (ii) Which of the following is NOT a characteristic of the welfare definition of economics?
- |  |  |
|--|--|
| a) Focus on maximizing utility                     | b) Emphasis on societal well-being     |
| c) Primarily concerned with individual preferences | d) Ignoring the distribution of wealth |
- (iii) Which of the following options best defines the economic problem?
- |  |  |
|--|--|
| a) Unlimited wants and limited resources   | b) Limited wants and unlimited resources |
| c) Unlimited wants and unlimited resources | d) Limited wants and limited resources   |
- (iv) The Demand in healthcare is explained as:
- |  |   |
|--|---|
| a) The desire for healthcare services  | b) The quantity of healthcare services that healthcare providers are willing to offer |
| c) The quantity of healthcare services that individuals are willing and able to purchase at different prices | d) The availability of healthcare facilities in urban areas                           |
- (v) If the price elasticity of demand is 0.5, then the commodity is classified as a
- |                  |                   |
|------------------|-------------------|
| a) Luxury Good   | b) Necessary Good |
| c) Inferior Good | d) Giffen Good    |

- (vi) Illustrate the shape of a demand curve for a price elasticity of demand of one from the following options:
- a) Rectangular hyperbola
  - b) Horizontal parabola
  - c) Vertically sloped
  - d) Negatively sloped
- (vii) A positive income elasticity of demand is related to
- a) Normal goods
  - b) Inferior goods
  - c) Giffen goods
  - d) Complementary goods
- (viii) Amongst the following options, interpret the reason for the downwards slope of demand curve
- a) Because consumers prefer higher prices
  - b) Due to the law of supply
  - c) As price decreases, quantity demanded increases
  - d) Because producers reduce supply
- (ix) Law of supply demonstrates that
- a) As the price of a good decreases, the quantity supplied decreases
  - b) As the price of a good increases, the quantity supplied decreases.
  - c) As the price of a good decreases, the quantity supplied increases.
  - d) As the price of a good increases, the quantity supplied increases.
- (x) Select from the following, that will differentiate an accounting profit from an economic profit
- a) Accounting profit includes explicit costs only, while economic profit includes both explicit and implicit costs
  - b) Accounting profit includes implicit costs only, while economic profit includes both explicit and implicit costs
  - c) Accounting profit excludes explicit costs, while economic profit includes all costs
  - d) Accounting profit equals economic profit in all cases
- (xi) If a company's accounting costs are greater than its economic costs, it is identified that the company.
- a) Is making a profit
  - b) Is incurring implicit costs
  - c) Is not accounting for all of its expenses
  - d) Is minimizing its production costs
- (xii) Solve the following : If a company produces 200 units of a product and the total cost incurred is \$1000, then the average actual cost per unit is:
- a) \$5
  - b) \$50
  - c) \$100
  - d) \$500
- (xiii) Choose the costs that are considered as the components of actual costs in health economics
- a) Direct costs only
  - b) Indirect costs only
  - c) Both direct and indirect costs
  - d) Variable costs only
- (xiv) Identify from the following, that is NOT a potential consequence of a healthcare monopoly
- a) Reduced access to healthcare services in underserved areas.
  - b) Higher costs for patients due to lack of competition.
  - c) Increased efficiency and streamlined healthcare delivery.
  - d) Decreased quality of care due to lack of innovation and competition
- (xv) Identify the characteristic feature of a monopolistic competition in the healthcare markets
- a) Many small firms with identical products
  - b) A single dominant firm controlling the market
  - c) Few large firms with differentiated products
  - d) Perfectly elastic demand curve

**Group-B**  
(Short Answer Type Questions)

3 x 5=15

2. Explain market demand with the help of a graphical diagram (3)
3. Explain the meaning of marginal utility and how does it impact consumer decision-making? (3)
4. How does the management of human capital differ in healthcare organizations compared to other sectors? (3)
5. Explain the importance of health economics. (3)
6. Discover the main functions of foods. (3)

OR

Discover the consequences of malnutrition. (3)

**Group-C**

(Long Answer Type Questions)

5 x 6=30

7. Explain expansion and contraction in supply with the help of a graph. (5)
8. Assess Cost Benefit Analysis. (5)
9. Illustrate the concept of change in demand and change in quantity with a graphical presentation. (5)
10. How does economics contribute to understanding the allocation of limited resources to satisfy consumers desires for maximum satisfaction? (5)
11. Interpret three causes each for a rightward shift and a leftward shift of a demand curve. (5)
12. Explain different sources of financing of health care. (5)

OR

" Health is an investment " - Justify. (5)

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