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# BRAINWARE UNIVERSITY



**Term End Examination 2025-2026**
**Programme – MBA(HM)-2025**
**Course Name – Health Economics**
**Course Code - MHM20405**
**( 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) Which of the following best defines Managerial Economics?
- a) Study of national income
- b) Application of economic theory to managerial decisions
- c) Study of public finance
- d) Analysis of international trade

(ii) Which economic concept deals with scarcity of resources?
- a) Abundance
- b) Opportunity cost
- c) Surplus
- d) Profit maximization

(iii) Identify the discipline most closely linked with Managerial Economics.
- a) Anthropology
- b) Microeconomics
- c) Literature
- d) Philosophy

(iv) Distinguish between Micro and Macro Economics based on level of study.
- a) Individual units vs entire economy
- b) Value-based vs factual
- c) Short-term vs long-term
- d) Theory vs practice

(v) Which of the following best explains the circular flow of macroeconomic activity?
- a) Flow of money only
- b) Flow of goods only
- c) Flow of income and expenditure between sectors
- d) Flow of government policies

(vi) Find the aggregate that represents total income earned in an economy.
- a) Gross Domestic Product
- b) National Income
- c) Capital Formation
- d) Consumption Expenditure

(vii) Mark the correct component of national income.
- a) Transfer payments
- b) Capital gains
- c) Wages
- d) Windfall gains

(viii) Show the kind of market structure is characterized by a large number of buyers and sellers.
- a) Monopoly
- b) Oligopoly



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c) Perfect competition d) Monopolistic competition

(ix) Show the condition necessary for price determination in a perfect market.

a) Government control b) Demand equals supply
c) Price discrimination d) Product differentiation

(x) Select the market structure where price discrimination is not possible.

a) Monopoly b) Oligopoly
c) Perfect competition d) Monopolistic competition

(xi) Distinguish between perfect and imperfect markets.

a) Price taker vs price maker b) Few sellers vs many sellers
c) Product differentiation vs uniform product d) All of these

(xii) Which cost represents the value of the next best alternative foregone?

a) Financial cost b) Accounting cost
c) Opportunity cost d) Sunk cost

(xiii) Show the primary objective of healthcare financing systems.

a) Profit generation b) Cost minimization
c) Mobilization and allocation of health resources d) Clinical efficiency

(xiv) Distinguish between Beveridge and Bismarck models.

a) Tax-funded vs insurance-funded b) Public provision vs private provision
c) Universal coverage vs selective coverage d) All of these

(xv) Mark the correct feature of Indian healthcare financing.

a) High insurance penetration b) High public spending
c) High out-of-pocket expenditure d) Universal free healthcare

## Group-B

(Short Answer Type Questions) 3 x 5=15

2. Define Managerial Economics and state its nature and scope. (3)
3. Explain the circular flow of macroeconomic activity. (3)
4. Develop the pricing objectives of firms under different market conditions. (3)
5. Analyze the functioning of a market through the price mechanism. (3)
6. Justify the importance of healthcare financing reforms in India. (3)

**OR**

Justify the classification of health systems based on cost of care. (3)

## Group-C

(Long Answer Type Questions) 5 x 6=30

7. Define Micro and Macro Economics and explain why both are important for healthcare managers. (5)
8. Analyze the role of Managerial Economics in solving healthcare management problems. (5)
9. Illustrate the circular flow of macroeconomic activity with suitable explanation. (5)
10. Analyze the impact of price discrimination on consumer welfare. (5)
11. Analyze the effectiveness of cost-plus pricing in competitive markets. (5)
12. Explain the concept and scope of healthcare financing. (5)

**OR**

Explain the salient features of health economics. (5)

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