14 (ECO–4) 4106

2022

ECONOMICS

Paper : ECO–4106

(Economics of Health)

Full Marks : 80

Time : Three hours

**The figures in the margin indicate
full marks for the questions.**

1. Answer the following within **50** words :
                                                5×4=20

    (a) "Full insurance is state independent
        while partial insurance is state-
        dependent". Explain.

    (b) Highlight the distinguishing features of
        health economics.

    (c) Mention *two* important findings from
        the Dartmouth Atlas in the context of
        technology diffusion.

    (d) Define physician agency. In this
        context, state what is meant by
        defensive medicine.   2+3=5

2. Answer **any three** of the following within **150** words each : 10×3=30

(a) Compare and contrast *a fair but partial* insurance contract with *a full but unfair* contract. Determine the limit to willingness to pay, even for a *full but unfair* contract with reference to *a. fair and partial* contract. 6+4=10

(b) Discuss the returns to medical training. On what grounds may a physician discriminate amongst different groups of patients? 6+4=10

(c) What is health technology assessment ? Explain *two* methods through which health technology can be assessed. 2+8=10

(d) Using the concept of Marginal Efficiency of Health Capital, explain why an educated person experiences better health and the aging experience declining health. 5+5=10

(e) Describe why expenditures for medical goods and services are increasing so much faster than expenditure on other goods and services in recent times.

3. Answer **any two** of the following :

15×2=30

(a) What is "Health Policy Trilemma" ?
     Discuss the significance of different
     health insurance markets.   3+12=15

(b) (i) Explain how the different elements
          of the Grossman Model can be
          unified into a single lifetime utility
          function of a given individual.

     (ii) Illustrate the characteristics of the
          market for hospitals.

10+5=15

(c) Explain the concept of ex-ante and ex-
     post moral hazards. Discuss how Moral
     Hazard can be limited using Co-
     insurance,   Co-payment   and
     Deductibles.   5+10=15

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