

Economics of Human Biology

Basic Economics · Practice Test · 20 Questions

1. Which economic concept describes the cost of a medical treatment as the value of the next best alternative use of those funds?

- A) Sunk cost
- B) Opportunity cost
- C) Marginal utility
- D) Inflation

2. In health economics, what does the term 'scarce resource' primarily refer to regarding human organ transplantation?

- A) Limited supply of donor organs
- B) The cost of surgical tools
- C) The number of hospital beds
- D) The price of anesthesia

3. What is the primary economic objective of preventive healthcare measures like vaccinations in a population?

- A) Increasing medical fees
- B) Reducing long-term expenditure on disease treatment
- C) Maximizing pharmaceutical profits
- D) Creating new labor markets

4. How do economists typically classify the 'demand' for emergency surgery in a patient?

- A) Highly elastic
- B) Perfectly elastic
- C) Highly inelastic
- D) Unitary elastic

5. What economic phenomenon occurs when an individual's health status improves, leading to an increase in their labor productivity?

- A) Human capital appreciation
- B) Deflation
- C) Diminishing returns
- D) Market saturation

6. Which economic principle explains why the cost of healthcare services often rises faster than general inflation due to labor intensity?

- A) Baumol's cost disease
- B) The Law of Diminishing Returns
- C) Comparative advantage
- D) The multiplier effect

7. In the context of the pharmaceutical industry, what are patents designed to provide to companies for a limited time?

- A) Perfect competition
- B) Monopoly power
- C) Negative externalities
- D) Price ceilings

8. What does the 'marginal benefit' of consuming a nutritional supplement represent?

- A) The total cost of the supplement
- B) The additional health improvement from one more unit
- C) The initial cost of production
- D) The average price across all brands

9. What is the economic term for the unintended consequence where a vaccinated individual provides protection to others, benefiting the public?

- A) Positive externality
- B) Negative externality
- C) Deadweight loss
- D) Public utility

10. Why is the healthcare market considered to have 'asymmetric information'?

- A) Doctors have more medical knowledge than patients
- B) Patients set the prices
- C) All participants have equal data
- D) Government controls all supply

11. Which term describes the reduction in utility caused by the potential side effects of a necessary medical drug?

- A) Consumer surplus
- B) Negative utility
- C) Marginal cost
- D) Fixed asset

12. When a hospital operates at maximum capacity and cannot treat additional patients without building new wings, it is experiencing:

- A) Economies of scale
- B) Diminishing marginal returns to capital
- C) Market equilibrium
- D) Elastic demand

13. What is the 'opportunity cost' of a doctor's time spent documenting patient records instead of performing a physical examination?

- A) The price of the paper
- B) The loss of diagnostic time
- C) The hospital's profit margin
- D) The patient's insurance premium

14. In health economics, what are 'public goods' defined as?

- A) Goods that are non-excludable and non-rivalrous like herd immunity
- B) Private hospital rooms
- C) Over-the-counter vitamins
- D) Medical research journals

15. How does an 'increase in demand' for healthcare services affect the market price if supply remains constant?

- A) Price decreases
- B) Price increases
- C) Price remains unchanged
- D) Quantity supplied decreases

16. What concept refers to the total value of all healthcare services produced within a country's borders in a year?

- A) Gross Domestic Product (GDP)
- B) Consumer Price Index
- C) Disposable income
- D) Human Development Index

17. In the labor market for nurses, what happens when the wage rate increases above the equilibrium level?

- A) A shortage of nurses
- B) A surplus of nurses
- C) No change in supply
- D) Increased patient demand

18. Which economic factor best explains why high-end elective cosmetic surgery is more elastic than emergency medical care?

- A) Necessity vs. luxury
- B) Supply constraints
- C) Government regulation
- D) Biological factors

19. What is the 'price floor' in the context of government-regulated minimum wages for healthcare support staff?

- A) The lowest legal wage an employer can pay
- B) The highest price for medical equipment
- C) The average cost of a physical exam
- D) The subsidy provided to hospitals

20. What happens to the 'demand' for health insurance as a population ages and perceives higher health risks?

- A) Decreases
- B) Increases
- C) Becomes perfectly inelastic
- D) Becomes irrelevant