The Economics of Health and Human Biology

Health Economics · Answer Key · 20 Questions

1. Which economic metric represents the total value of healthcare goods and services produced within a country in a given period?

A) Gross Domestic Product (GDP)
B) Health Expenditure as % of GDP
C) Human Development Index
D) Consumer Price Index

2. Approximately what percentage of the global GDP is typically spent on healthcare expenditures?

A) 2%
B) 10%
C) 25%
D) 50%

3. What is the term for the economic concept where the demand for healthcare increases as an individual's income rises?

A) Inferior good
B) Veblen good
C) Normal good
D) Giffen good

4. Which global organization defines health as 'a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity'?

A) World Bank
B) World Health Organization (WHO)
C) International Monetary Fund (IMF)
D) World Trade Organization (WTO)

5. What is the primary economic indicator used to measure the average number of years a newborn is expected to live?

A) Mortality rate
B) Life expectancy
C) Morbidity index
D) Dependency ratio

6. In health economics, what is the 'opportunity cost' of spending a fixed government budget on a new hospital wing?

A) The total cost of the building
B) The foregone benefit of other health services not funded
C) The tax revenue lost during construction
D) The interest rates on loans

7. Which type of 'market failure' occurs when the consumption of healthcare by one individual provides benefits to others, such as vaccinations?

A) Negative externality
B) Information asymmetry
C) Positive externality
D) Monopoly power

8. What is the name of the economic model that describes how health status influences an individual's productivity and lifetime earnings?

A) Grossman Model
B) Solow Growth Model
C) Phillips Curve
D) Keynesian Multiplier

9. Which factor is considered a 'social determinant of health' that directly impacts economic productivity?

A) Access to clean water
B) Blood type
C) Hair color
D) Eye shape

10. What does the 'D' in DALYs, a measure used in health economics to assess the burden of disease, stand for?

A) Development
B) Disability
C) Data
D) Demand

11. Which economic sector is responsible for the research, development, and manufacturing of medications?

A) Biotechnology and Pharmaceutical
B) Primary Industry
C) Public Utility
D) Retail Trade

12. What is the term for a payment system where providers are paid a set amount for each patient, regardless of the number of services provided?

A) Fee-for-service

B) Capitation

C) Out-of-pocket

D) Deductible

13. In economic terms, what is the 'marginal utility' of a healthcare service?

A) Total cost of the procedure

B) The added benefit gained from one additional unit of health service

C) The total number of patients treated

D) The cost of medical malpractice insurance

14. Which country has historically spent the highest percentage of its GDP on healthcare?

A) Australia

B) United States

C) Japan

D) Sweden

15. What is the main purpose of 'Universal Health Coverage' from an economic perspective?

A) To eliminate all private hospitals

B) To ensure all people have access to health services without financial hardship

C) To maximize pharmaceutical profits

D) To standardize the age of retirement

16. Which index measures the distribution of income or health outcomes across a population?

A) Gini coefficient

B) Consumer Confidence Index

C) Consumer Price Index

D) Purchasing Power Parity

17. What is the economic consequence of an 'aging population' on a country's healthcare system?

A) Decreased demand for chronic disease management

B) Increased fiscal pressure on public pension and health budgets

C) Immediate decline in GDP per capita

D) Increased birth rates

18. What type of cost is incurred by an employer due to a worker being absent for health-related reasons?

A) Direct medical cost

B) Indirect cost of lost productivity

C) Fixed capital cost

D) Marginal cost

19. Which measure tracks the financial burden on a household that spends a significant portion of their income on healthcare?

A) Disposable income

B) Catastrophic health expenditure

C) Inflation rate

D) Asset depreciation

20. Why is the health market often categorized as having 'asymmetric information'?

A) Doctors know more about medical treatments than patients

B) Patients determine the exact price of medication

C) The government regulates all medical prices

D) Healthcare services are always free at the point of use