

M.Phil Economics (First Year): 2nd Semester: 2019

Health Economics

Time- Two Hours

Full Marks: 30

(Answer question number 1 and any two from the rest)

(1) Discuss Arrow's explanation of the role of the market and non-market institutions in the provision and distribution of health care services. (b) What could be the probable impact of health insurance on health outcome? (6+4)

(2) What are the social values incorporated in measuring the DALYs? Assume a female child who contracts poliomyelitis at age 5 and survives next 5 years (after being affected by poliomyelitis) and then dies. Given that the total horizon of time is 87.5 years, disability weight is 0.5 and discount rate is 3% find the DALYs lost due to early death following disability of the girl child, given that $\beta=0.04$ and $C=0.16243$ (4+6)

(3) How do you distinguish between Concentration Index (CI) and Gini Coefficient in the context of measuring health inequality based on socio-economic status? Show that the β coefficient represents the Concentration Index (CI) in the following regression:

$$\frac{2\sigma_r^2}{\mu} \cdot h_i = \alpha + \beta r_i + u_i$$

In the above equation, σ^2 stands for variance of fractional rank of socio-economic status (say, income), h_i be the health variable, μ is the mean health and r be the fractional rank of the individual in respect of socio-economic status. (4+6)

(4) Clearly explain the basic structure of input market in healthcare services. Explain the equilibrium condition of a hospital enjoying monopsony power in the input market for nurses. Can it be applicable to the doctors working in the hospital? Give reasons. (4+4+2)