6th Edition

HEALTH ECONOMICS
Theory, Insights, and Industry Studies

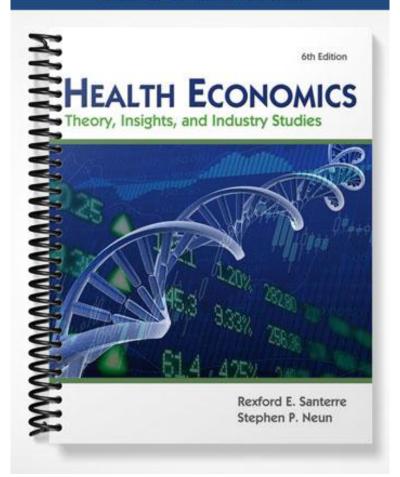Rexford E. Santerre
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1. Which of the following best illustrates the law of diminishing marginal utility?
   a. A physician orders additional exams to provide a more accurate diagnosis.
   b. A person chooses the most comprehensive health insurance offered every time, regardless of the benefit or cost.
   c. A patient chooses to visit the dentist twice a year for checkups rather than once a month.
   d. Congress chooses to continue debating the merits of alternative health policies.
   e. None of the above.

2. The concept of _____ helps explain why some people choose not to visit their primary care physician every day.
   a. inseparability
   b. human capital
   c. diminishing marginal utility
   d. process quality
   e. absolute income hypothesis

3. Which of the following is not a characteristic of medical care that distinguishes it from other goods?
   a. Investment
   b. Inventory
   c. Intangibility
   d. Inconsistency
   e. Inseparability

4. _____ can help avoid the problem of diminishing marginal productivity of medical care.
   a. Increases in the number of physicians
   b. Increases in the number of nurses
   c. Advancements in medical technology
   d. both a and b are correct
   e. All of the above

5. _____ occurs when more patients are treated by a new medical intervention.
   a. Income inequality
   b. Treatment substitution
   c. Social influence
   d. Environmental impact
   e. Treatment expansion

6.   Which of the following is included in the health production function?
      a. Age
      b. State of medical technology
      c. Gender
      d. Income
      e. All of the above

7.   The _____ states that distribution of income directly impacts health.
      a. absolute income hypothesis
      b. relative income hypothesis
      c. relative position hypothesis
      d. income inequality hypothesis
      e. absolute position hypothesis

8.   The _____ states that an individual's income relative to some social group average impacts health.
      a. absolute income hypothesis
      b. relative income hypothesis
      c. relative position hypothesis
      d. income inequality hypothesis
      e. absolute position hypothesis

9.   Which of the following accounts for the greatest number of deaths in the U.S.?
      a. Chronic lower respiratory diseases
      b. Alzheimer's disease
      c. Diabetes mellitus
      d. Diseases of the heart
      e. Malignant neoplasms

10.   _____ has been credited as the leading cause of decreases in child mortality during the early twentieth century in the U.S.
      a. The polio vaccine
      b. Improvements in public education
      c. Improvements in water quality
      d. Medicaid
      e. The improving macroeconomy

11.   There is a constant relationship between increases in health and utility.
      a. True
      b. False

12.   Process quality refers to the physical and human resources of the medical care organization.

a. True
b. False

13. Advancements in medical technology allow people to obtain greater amounts of health with the same amount of medical care.
a. True
b. False

14. Better macroeconomic conditions have a positive overall impact on health.
a. True
b. False

15. The reduction in the number of reported polio cases was due largely to government health programs.
a. True
b. False

Answers:

1. c	11. b
2. c	12. b
3. a	13. a
4. c	14. b
5. e	15. b
6. e	
7. d	
8. b	
9. d	
10. c	