Department of Health Management and Health Economics English

Faculty of Medicine

University of Oslo

##### Written exam October 7th 2013, 0900-1200

HECON4100 – Fundamentals of Health Economics

**No special exam resources are allowed**

Results will be made available **Monday October 28th**, see the board at the Department of Health Management and Health Economics, Forskningsveien 3A. The results will also be posted on Studentweb.

The receiving day of the results is the day the results are posted on the board at the Department. Appeals must be submitted within three weeks of this date.

The Written Exam consists of **2 pages** including this one.

Remember to write down your candidate number so this is easily accessible when the results become available.

**Exam HECON4100 Fundamentals of Health Economics**

**Part 1: Short questions (Answer all questions. This section counts 70% of the grade)**

1. Explain the concept of “supplier induced demand.”
2. How does the price and quantity produced of a product differ depending on whether there is perfect competition versus a monpoly?
3. Explain how to find the demand for health in the Grossman model.
4. Why do some argue that the free market alone do not provide strong enough incentives to develop new pharmaceuticals?
5. Explain what is meant by “a medical arms race” and the driving forces behind such a “race”

**Part 2: Essay (30% of the grade)**

Explain the reasons why some argue the market for health insurance is a good example of market failure? Discuss the causes, consequences and possible solutions to the market failures in this market.