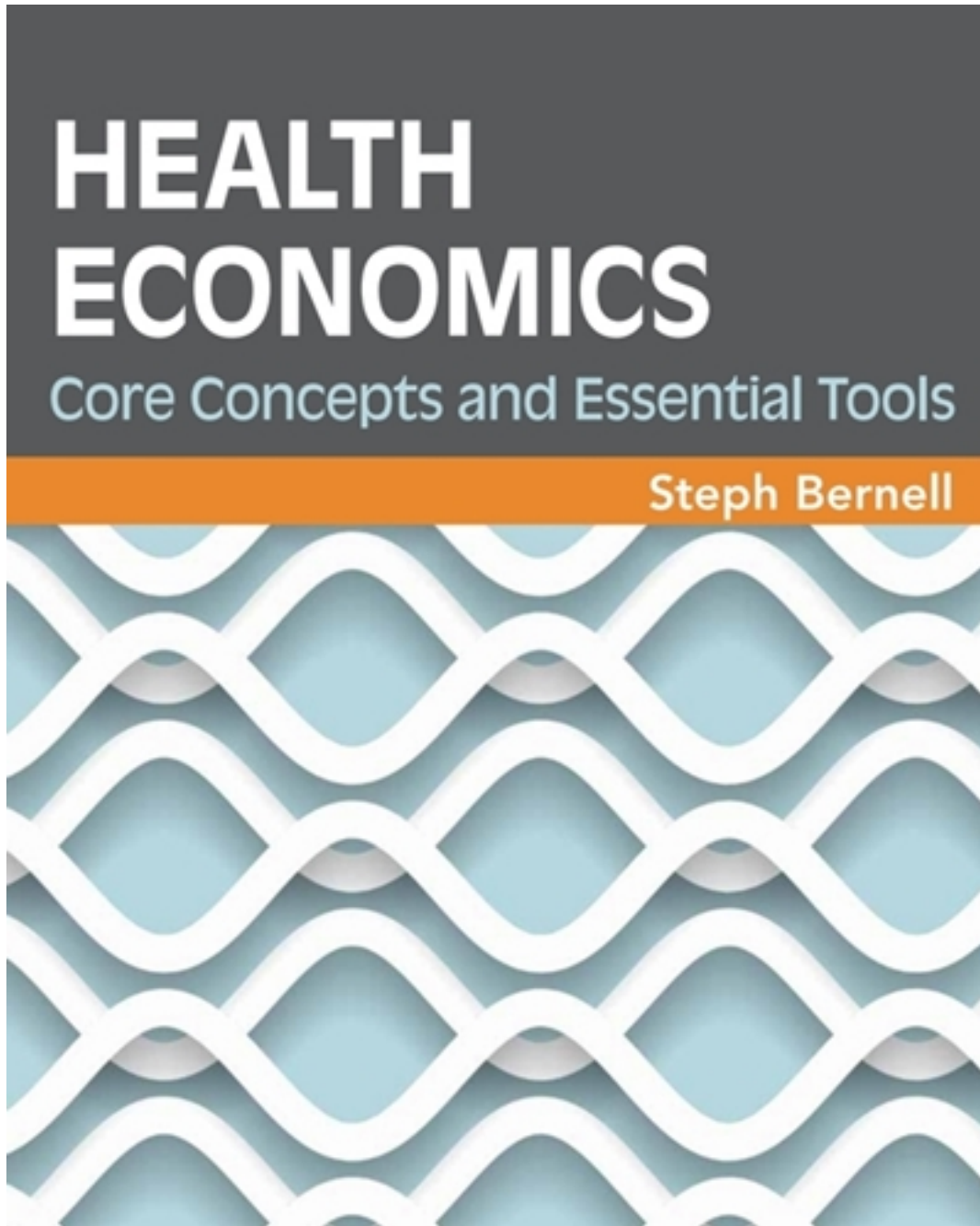


Test Bank for Health Economics Core Concepts and Essential Tools 1st Edition by Bernell

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Test Bank

1. ch02-001

The law of diminishing returns suggests that health improves at a/an _____ rate with respect to additional amounts of medical care.

- a. increasing
- *b. decreasing
- c. constant

2. ch02-002

The relationship between health and wealth is bidirectional.

- *a. True
- b. False

3. ch02-003

The relationship between health and wealth can most accurately be represented _____.

- a. linearly
- *b. nonlinearly

4. ch02-004

The absolute income hypothesis proposes that

- a. an individual's purchasing and savings decisions are determined by income relative to the income of others in the community.
- b. an individual's health is affected by the distribution of income within a society.
- c. an individual's health is determined by a person's position within the community.
- *d. higher income is associated with lower mortality and morbidity.

5. ch02-005

A society with narrow distribution of income has an average health status that is worse than that of a society with a wide distribution of income.

- a. True
- *b. False

6. ch02-006

Income inequality is often measured by a Gini coefficient. A Gini coefficient of 0.3 implies greater income equality than a Gini coefficient of 0.7.

- *a. True
- b. False

7. ch02-007

The federal poverty level (FPL) can be used in support of which hypothesis?

- a. Relative rank hypothesis
- b. Relative income hypothesis
- *c. Deprivation hypothesis
- d. Absolute income hypothesis

8. ch02-008

Which of the following is not an economic theory used to explain the relationship between health and wealth?

- a. Relative rank hypothesis
- *b. Relative community hypothesis
- c. Absolute income hypothesis
- d. Deprivation hypothesis

9. ch02-009

The only effect that wealth increases can have is decreasing mortality.

- a. True
- *b. False

10. ch02-010

In wealthy countries, improvements in aggregate health can best be achieved by

- a. increasing income inequality.
- b. lowering income inequality.
- c. giving every person the same amount of money (e.g., \$1,000).
- *d. increasing GDP per capita.

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