

## **DEPARTMENT OF HUMANITIES & SOCIAL SCIENCES**

**Programme: B. Tech (Minor in Economics)**

**Course Title: Economics of Health and Education**

**Course Category: Minor**

**Course Code: HSME 403**

**Credits: 3 (L-3)**

**Semester: 7<sup>th</sup>**

**Course Objectives**

This is a course in applied economics, which will introduce the students to the study of health and education as components of human capital in the framework of economic theory.

**Instructions for Examiner**

The number of questions to be set will be five, at least one from each unit. The examinees will be required to attempt all five questions. All questions shall carry equal marks.

**Unit I**

Role of health and education in human development: health and education outcomes and their relationship with macroeconomic performance.

**Unit II**

Education: Investment in Human Capital Rate of Return to Education: Private and Social; Quality of Education; Signaling or Human Capital; Theories of Discrimination; Gender and Caste Discrimination in India. Education Sector in India: An Overview Literacy Rates, School Participation, School Quality Measures.

**Unit III**

Topics in health economic theory: demand for health, Grossman's model of demand for health, information asymmetry in healthcare demand, and the health insurance market, physician induced demand, adverse selection and moral hazard in health insurance.

**Unit IV**

Economic evaluation of health care: cost effectiveness and cost-benefit analysis; valuing life. Public policy in the health sector; externalities in health and health care; rationale for government intervention in the health sector

**Course Outcomes**

The students will be able to apply economic theory to understand the demand for health care, market failure in health insurance, economic evaluation of health care programmes and the role of public policy in the healthcare industry. They will also learn to analyse the returns to education, its role in labor market in India.

**Suggested Readings**

1. Bhattacharya, J., Hyde, T., Tu, P. (2014). Health economics, Palgrave Macmillan.
2. Ehrenberg, R., Smith, R. (2012). Modern labor economics: Theory and public policy, 11th ed. Addison Wesley.
3. World Development Report (1993). Investing in Health. The World Bank.
4. World Health Organisation (2013). The economics of the social determinants of health and health inequalities: A resource book. World Health
5. Kingdon, Geeta G., 2007, The progress of School Education in India, Oxford Review of Economic Policy, 23(2)