Module 1

Basic Economic Concepts

Module Workbook

2018–2019 academic year
Structure of the Distance Learning Programmes

Module 1
Basic Economic Concepts

Module 2
Health Economics: Concepts and Analysis

Module 3
Introduction to Health Care Evaluation

Module 4
The Economics of Health Care Systems

Module 5
Statistics for Health Economics

Module 6
Further Topics in Economic Evaluation

Module 7
Assessing the Impact of Medical Technologies on Health

Module 8
Outcome Measurement and Valuation

Module 9
Decision Analysis for Health Technology Assessment

PG Certificate

PG Diploma

MSc
STRUCTURE OF MODULE 1: Basic Economic Concepts

- Unit 1.1: Some Fundamental Concepts
- Unit 1.2: Consumers and Demand
- Unit 1.3: Production, Costs and Supply
- Unit 1.4: Markets and Welfare Economics
- Unit 1.5: Introduction to Choice under Uncertainty
- Unit 1.6: An Overview of the Discipline
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Guide to Module 1

Learning aims and objectives

This is a Level 6 (H), non-compensatable module. This means that the module is marked on a pass/fail basis and if you fail the module you fail the Postgraduate Certificate (the Programme Handbook, Section 4, contains full details). The module has the following learning aims and objectives:

**Learning aims**

To introduce you to the basic concepts of economics and why they are relevant to the study of health and health care.

**Learning objectives**

Upon successful completion of the module you should be able to:

- Define and illustrate, using diagrams and examples, the fundamental concepts of economics including scarcity, opportunity cost, choice, the production possibilities frontier, production functions, average and marginal costs, demand and supply, willingness to pay, welfare, consumer and producer surplus, and different types of market.
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• Explain, using examples, why each of these concepts is important when applied to the study of health.

• Explain why decision making under uncertainty is important in explaining the existence of markets for health insurance.

• Outline the main subject areas of health economics to a non-economist.

In addition to these, you should ensure you can meet the learning objectives outlined at the start of each unit.

Credits, timing and assessed work

The module is worth 20 credits and should take approximately 200 hours over 13 weeks of study, including revision for, and sitting, the module assessment. The following is a guide to the amount of time you might spend on each unit, although you are of course free to fit your study time to your own circumstances:

• week commencing 10/9/2018. Week 0. Familiarisation with Module 1, aims and objectives, introduction and Unit 1.1.

• week commencing 17/9/2018. Week 1. Module 1 workshop. Units 1.1 and 1.2.


• week commencing 08/10/2018 and 15/10/2018. Weeks 4 and 5. Unit 1.3.


Module assessment

The assessment for this module is by an unseen written examination completed in the final week. The module is marked on a pass/fail basis, where a fail refers to an examination script receiving a mark below 50%. If you fail this module you fail the Postgraduate Certificate. The Programme Handbook, Section 4, contains full details.

The three pieces of assessed work, to be submitted on or before the dates detailed above, are taken from exercises in the workbook and a past examination paper, a copy of which is available on Yorkshare’s ‘Content’ page for Module 1. They are:

- Piece 1. Exercise 1.4 from the workbook (page 63).
- Piece 2. Exercise 1.7 from the workbook (page 92).
- Piece 3. Exam question 4(a) (Euro zone paper, 2016–2017, with workbook closed!)

Please note that programme staff are under no obligation to mark assessed work that is submitted late - this applies to all modules.

On-line learning: Yorkshare

The module is supported by the Yorkshare virtual learning environment located at:

vle.york.ac.uk

You can access this using your username and password which will be supplied to you. Exercises which should be discussed on Yorkshare are flagged in the text with this computer icon.
The main teaching materials are contained within this workbook. References to books and papers are noted in this workbook by the book icon. These may be ordered from the University of York’s library. If you work in the NHS, your local professional librarian may prove helpful.

The following textbook is supplied to you to accompany your study:


Although this textbook is quite ‘U.S.-orientated’, it contains some good introductory material for this module and more advanced material that will be referred to in later modules, especially Modules 2 and 5. For those of you unfamiliar with the ‘jargon’ of health economics, Folland et al. contains a useful ‘Glossary’ at the back.

In the ‘reading’ sections of this workbook, the first set of page numbers refers to the ‘8’ edition, the second set (in [ ]) to the ‘7e’ edition and the third set (in ‘( )’) to the ‘7’ edition.

In addition, we strongly advise that you purchase a standard economics text to reinforce the basic principles that are covered here. We recommend:


In the ‘reading’ sections of this workbook, the first set of page numbers for Begg et al. refers to the ‘11’ edition and the second set to the ‘10e’ edition.

A photocopy of the paper *Health economics: an evolving paradigm*, which forms part of the introductory reading, is also supplied to you.

References to additional reading are noted in the text. Many of these are from the British Medical Journal (BMJ).

Reading that is strongly recommended is marked with a *. 