

ECONOMICS

An Introduction to Economics and Health Economics

- I. FUNDAMENTAL ECONOMIC CONCEPTS 10%
 - A. Basic Assumptions of Economics
 - 1. Scarcity
 - 2. Trade-offs
 - 3. Opportunity Cost
 - 4. Rationality
 - 5. Gains from Trade
 - B. Models and Economic Theory
 - C. Positive and Normative Economics
 - D. Efficiency as a Goal
 - E. Microeconomics and Macroeconomics

- II. MICROECONOMICS 40%
 - A. Perfectly Competitive Markets
 - 1. Markets
 - 2. Demand
 - 3. Shifts in the Demand Curve
 - a. Income
 - b. The prices of related goods
 - c. Tastes
 - d. Expectations
 - e. Number of buyers
 - 4. Supply
 - 5. Shifts in the Supply Curve
 - a. Input prices
 - b. Technology
 - c. Expectations
 - d. Number of sellers
 - 6. Equilibrium
 - 7. The Characteristics of Competitive Market Equilibrium
 - B. Applications of the Competitive Market Model
 - 1. Changes in Market Equilibrium
 - 2. Elasticity
 - 3. Using Elasticity
 - C. Evaluating Government Policy: The Impact of Price Controls and Taxes
 - 1. Price Controls
 - 2. Taxes
 - D. International Trade
 - 1. An Isolated Economy
 - 2. Adding the Opportunity to Trade
 - 3. Comparative Advantage and the Gains from Trade
 - 4. The Political Economy of Trade

- E. The Profit Motive and the Behavior of Firms
 - 1. Economic Profits and Accounting Profits
 - 2. Finding the Firm's Supply Curve
 - 3. Entry, Exit, and the Market Supply Curve
- F. Imperfect Competition
 - 1. Monopoly
 - 2. Monopoly Supply
 - 3. Welfare Consequences of Monopoly
 - 4. Dealing with Monopolies
 - 5. Price Discrimination
 - 6. Oligopoly
 - 7. Monopolistic Competition
- G. Creative Destruction: The Profit Motive and the Sources of Economic Change
- H. Market Failures
 - 1. Externalities
 - 2. The Effect of Externalities on Resource Allocation
 - 3. Private Responses to Externalities
 - 4. Government Regulation of Externalities
 - 5. Property Rights
 - 6. The Effects of Private Ownership
 - 7. Public and Private Goods
 - a. Private goods
 - b. Common resources
 - c. Collective goods
 - d. Public goods
- I. Institutions, Organizations, and Government
 - 1. Pork Barrel Politics
 - 2. Rent-Seeking
 - 3. What Is the Proper Role for Government?

III. MACROECONOMICS

30%

- A. Macroeconomic Issues
 - 1. Economic Growth and Living Standards
 - 2. Recessions and Expansions
 - 3. Unemployment
 - 4. Inflation
 - 5. International Trade
- B. Macroeconomic Measurement
 - 1. Measuring Total Output: Gross Domestic Product
 - a. Market value
 - b. Final goods and services
 - c. Within a country
 - d. During a specified period
 - 2. Understanding What GDP Measures
 - 3. Other Ways to Measure GDP: Expenditures Equal Production
 - 4. Yet Another Way to Measure GDP: Income Equals Production Equals

- Expenditures
- 5. Real GDP
- 6. Measuring Inflation
- 7. Unemployment
 - a. Frictional unemployment
 - b. Structural unemployment
 - c. Cyclical unemployment
- C. Economic Growth, Productivity, and Living Standards
 - 1. The Circular Flow Model of the Economy
 - 2. What Determines How Much an Economy Produces?
- D. Savings, Investment, and the Financial System
 - 1. Financial Markets
 - a. The bond market
 - b. The stock market
 - 2. Financial Intermediaries
 - a. Banks
 - b. Mutual funds
 - 3. Saving and Investment in Aggregate
 - 4. International Capital Flows in an Open Economy
 - 5. How Financial Markets Coordinate Saving and Investment Decisions
- E. Money and Prices in the Long Run
 - 1. What Is Money?
 - 2. Measuring Money
 - 3. The Federal Reserve System, Banks, and the Supply of Money
 - 4. Bank Runs
 - 5. Money and Inflation in the Long Run
 - 6. Why Worry about Inflation?
- F. Short-Run Economic Fluctuations
 - 1. Characteristics of Short-Run Fluctuations
 - 2. Potential Output, the Output Gap, and the Natural Rate of Unemployment
 - 3. Explaining Short-Run Fluctuations in Output
 - 4. The Aggregate Demand Curve
 - a. Wealth effects
 - b. Interest rate effects
 - c. Foreign exchange effects
 - 5. The Aggregate Supply Curve
 - 6. The Keynesian Model of Short-Run Fluctuations
 - 7. Inflation in the Keynesian Model
 - 8. Using Fiscal and Monetary Policy to Stabilize the Economy

IV. AN INTRODUCTION TO HEALTH ECONOMICS 20%

- A. Why Is Health Economics Important?
 - 1. Why Is Health Economics Different? (Arrow, 1962) → Non-marketability of Key Goods, Durable Health Capital, Uncertainty, Asymmetric Information, Externalities
 - 2. The Importance of Health Economics in Public Policy
- B. The Demand for Health—The Grossman Model

1. Health Is Both a Consumption Good and an Investment Good
2. Socioeconomic Status, Income, and Health
3. Estimating the Value of Life
- C. Downward-Sloping Demand for Health Care
 1. RAND Health Insurance Experiment
 2. Oregon Medicaid Experiment
- D. The Link Between Socioeconomic Status (SES) and Health
 1. The Efficient Producer Hypothesis
 2. The Thrifty Phenotype Hypothesis and the Dutch Famine Study
 3. The Allostatic Load Hypothesis
- E. Health Insurance Demand
 1. Declining Marginal Utility of Income
 2. Anatomy of a Health Insurance Contract (Premiums, Cost-sharing, Gate-keeping)
 3. Uncertainty, Risk Aversion, and the Demand for Health Insurance
- F. Information Asymmetry in Health Insurance and Its Consequences
 1. Moral Hazard
 2. Adverse Selection
- G. Physician Labor Markets
 1. Physician Education and Training
 2. Health Reform and Use of Non-Physician Labor
- H. Hospitals and Other Health Care Facilities
 1. The Rise and Fall of the Hospital and Hospital Stay
 2. Hospital Competition and Health Care Prices
- I. Regulation of the Market for Prescription Drugs
 1. Drug Development and Testing
 2. Patents and Drug Pricing
- J. The American Health Care System
 1. Private Health Care Provision
 2. Private Health Insurance Markets
 - a. Employer-provided insurance
 3. Publicly Financed Insurance
 - a. Medicare
 - b. Medicaid
 - c. The Affordable Care Act
- K. Health Care Systems Around the World
 1. The Beveridge Model
 - a. Universal single-payer insurance
 - b. Public health care provision
 - c. Free or low-cost care
 2. The Bismarck Model
 - a. Universal insurance
 - b. Community rating
 - c. Regulated private health care provision