

Economics of Health Care Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. What is the economic definition of health care?**
 - A. Health care is the organized provision of medical services to maintain or improve community health**
 - B. Health care refers to the profit-driven management of medical facilities**
 - C. Health care is limited to treatment provided by hospitals only**
 - D. Health care includes all services in the food industry**

- 2. What effect does "government regulation" have on health care markets?**
 - A. It completely eliminates competition among providers**
 - B. It regulates pricing and ensures fair practices**
 - C. It removes barriers to entry for new providers**
 - D. It focuses solely on service quality improvements**

- 3. In health economics, what are "public goods" characterized by?**
 - A. Goods that can be sold in a market**
 - B. Goods that are non-excludable and non-rivalrous**
 - C. Goods that require government funding and support**
 - D. Goods that generate revenue for private sectors**

- 4. What are moral dilemmas in health economics?**
 - A. Situations with ethical implications affecting care decisions**
 - B. Legal debates regarding health care regulations**
 - C. Scenarios with financial implications for hospitals**
 - D. Technological advancements in medical treatments**

- 5. Which factor does NOT influence the demand for health care services?**
 - A. Income**
 - B. Population health status**
 - C. Travel distance to service providers**
 - D. Price of services**

- 6. Which gross motor skill is typically achieved by a 1 year old?**
- A. Crawl**
 - B. Run**
 - C. Kick a ball**
 - D. Jump**
- 7. What is the principle behind supply-side rationing?**
- A. Ensuring unlimited access to all treatments**
 - B. Controlling costs by limiting service availability**
 - C. Providing equal treatment opportunities for all patients**
 - D. Encouraging excess demand for health services**
- 8. What gross motor skill is characterized by the ability to catch and throw a ball with increasing accuracy?**
- A. Tiptoeing**
 - B. Hopping on both legs**
 - C. Running**
 - D. Standing**
- 9. How do patient rights affect health economics?**
- A. They ensure equal pricing for health services**
 - B. They empower patients in their health care journey**
 - C. They reduce the need for healthcare professionals**
 - D. They complicate the regulatory process**
- 10. What is the significance of health care disparities?**
- A. They indicate uniform access to health care services**
 - B. They lead to equal health outcomes for all populations**
 - C. They result in unequal access and quality of health care**
 - D. They reflect government policies regarding health care**

Answers

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1. A
2. B
3. B
4. A
5. C
6. A
7. B
8. B
9. B
10. C

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Explanations

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1. What is the economic definition of health care?

- A. Health care is the organized provision of medical services to maintain or improve community health**
- B. Health care refers to the profit-driven management of medical facilities**
- C. Health care is limited to treatment provided by hospitals only**
- D. Health care includes all services in the food industry**

The economic definition of health care encompasses the organized provision of medical services aimed at maintaining or improving community health. This definition recognizes the systemic approach involved in health care delivery, which includes not only hospitals but also outpatient services, preventive care, and community health initiatives. It highlights the importance of health care as a comprehensive system where various components work together to achieve better health outcomes for populations. Health care is essential in contributing to a community's overall well-being and productivity, and its economic implications extend beyond mere treatment to include aspects such as access, quality, and efficiency of health services. This approach aligns with public health principles which advocate for a holistic view of health, looking at determinants that influence health in a broader context. Other choices do not accurately represent the comprehensive nature of health care. For instance, profit-driven management emphasizes financial motivations over the primary goal of improving health outcomes, while limiting health care to treatment provided solely by hospitals overlooks many critical services available outside hospital settings. Lastly, including services from the food industry does not fall under the traditional definition of health care, which focuses primarily on medical services and health interventions. Thus, the first choice effectively encapsulates the economic perspective of health care as a vital social service.

2. What effect does "government regulation" have on health care markets?

- A. It completely eliminates competition among providers**
- B. It regulates pricing and ensures fair practices**
- C. It removes barriers to entry for new providers**
- D. It focuses solely on service quality improvements**

Government regulation plays a crucial role in health care markets by regulating pricing and ensuring fair practices. These regulations can establish baseline standards for pricing which prevent excessive charges to consumers and create a more equitable system. By doing so, regulation can enhance transparency and accountability within the market, making it easier for consumers to understand the costs associated with health care services. Additionally, regulations are often designed to protect patients and ensure that health care providers meet certain quality and safety standards. This includes regulations that mandate the type of services offered and the qualifications of health care professionals. Such oversight helps to maintain a level of trust in the health care system while also promoting competition in a way that prioritizes consumer welfare. The other options present different aspects of market dynamics but do not accurately describe the multifaceted role of regulation. For example, government regulations do not completely eliminate competition; rather, they shape it to ensure that it happens within a framework that protects consumers. They also do not solely focus on service quality improvements or remove barriers to entry; rather, they often create standards that must be met before entering the market. This illustrates how government regulation serves as a balancing force in health care, aiming to maintain a fair and functional marketplace.

3. In health economics, what are "public goods" characterized by?

- A. Goods that can be sold in a market
- B. Goods that are non-excludable and non-rivalrous**
- C. Goods that require government funding and support
- D. Goods that generate revenue for private sectors

Public goods are characterized by being non-excludable and non-rivalrous. This definition is central to the understanding of public goods in economics, particularly in the context of health economics. Non-excludability means that it is not feasible to prevent individuals from using the good once it is provided. For instance, when a country provides public health services, such as disease prevention or health education, everyone benefits from these services regardless of whether they contribute to funding them. Non-rivalrousness indicates that one person's consumption of the good does not diminish its availability for others. Continuing with the healthcare example, if one person benefits from a public health campaign, it does not detract from others also benefiting from the same campaign. Understanding public goods is crucial for policymakers in health economics, as these characteristics often justify government intervention to ensure these goods are provided since private markets may not supply them adequately.

4. What are moral dilemmas in health economics?

- A. Situations with ethical implications affecting care decisions**
- B. Legal debates regarding health care regulations
- C. Scenarios with financial implications for hospitals
- D. Technological advancements in medical treatments

Moral dilemmas in health economics arise in scenarios that involve ethical implications affecting care decisions. These dilemmas often occur when health care providers, patients, or policymakers face choices that have significant moral consequences. For instance, selecting between allocating limited resources to one treatment over another involves weighing the benefits for patients against the implications of potentially neglecting other patients' needs. Decisions may involve questions about the fairness of access to care, the prioritization of various patient populations, and the consequences of choosing one treatment path over another based on factors such as cost-effectiveness. The other options do not capture the essence of moral dilemmas in health economics. Legal debates focus on compliance with regulations rather than the ethical considerations inherent in health care choices. Scenarios with financial implications pertain to the economic aspects rather than the ethical dimensions affecting patient care. Technological advancements, while vital in health economics, relate more to innovations in treatment rather than the moral considerations that govern decision-making in health care settings. Thus, the emphasis on ethical implications is what makes the first option the most fitting description of moral dilemmas in this context.

5. Which factor does NOT influence the demand for health care services?

- A. Income**
- B. Population health status**
- C. Travel distance to service providers**
- D. Price of services**

Travel distance to service providers is typically viewed as a logistical consideration rather than a direct influencer of demand for health care services. Demand for health care services is generally influenced by various factors, such as the ability to afford care (income), the health status of the population, and the price of services. When income increases, individuals are often more willing and able to purchase health care services, as they can afford more extensive or higher-quality care. Similarly, the overall health status of the population can affect demand; for instance, if a community has a higher prevalence of chronic illnesses, the demand for health care services will likely increase. Additionally, the price of services directly impacts demand; as prices rise, consumers may choose to forgo or substitute less expensive options for their health care needs. While travel distance can have an indirect effect—affecting a person's ability to access health care—it is not a primary demand factor itself. Instead, it may serve as a barrier or facilitator to accessing services rather than determining the desire for those services when other factors, like income or price, are considered.

6. Which gross motor skill is typically achieved by a 1 year old?

- A. Crawl**
- B. Run**
- C. Kick a ball**
- D. Jump**

A 1-year-old typically achieves the gross motor skill of crawling, which is a fundamental developmental milestone during infancy. At this age, most children engage in crawling as it helps them to develop their coordination, core strength, and mobility. Crawling allows babies to explore their environment, and it is usually one of the first forms of independent movement they master. In contrast, running, kicking a ball, and jumping are skills that emerge later, as children continue to develop their gross motor abilities. Running typically starts around 2-3 years of age, as children gain more control over their leg movements and balance. Kicking a ball and jumping usually follow as they develop more advanced coordination and strength, which occurs after the initial crawling stage. Hence, crawling is the most appropriate skill for a 1-year-old to have mastered, marking a crucial point of physical development and independence.

7. What is the principle behind supply-side rationing?

- A. Ensuring unlimited access to all treatments
- B. Controlling costs by limiting service availability**
- C. Providing equal treatment opportunities for all patients
- D. Encouraging excess demand for health services

The principle behind supply-side rationing is fundamentally about controlling costs by limiting the availability of certain health services or treatments. In systems where supply-side rationing is implemented, health care providers or government entities may restrict the number of procedures, treatments, or types of services that can be offered to manage overall healthcare expenditures. This can involve setting limitations on the number of surgeries performed, capping the range of available medications, or determining which treatments are covered under health plans. By rationing supply, the system aims to prevent excessive spending and ensure that resources are allocated in a manner that can sustain healthcare delivery over the long term. It addresses the challenge of balancing limited healthcare resources with the demand for medical services, ultimately striving to maintain overall fiscal responsibility within the healthcare system. Other options, such as ensuring unlimited access to all treatments, providing equal treatment opportunities for all patients, and encouraging excess demand for health services do not align with the principles of supply-side rationing. Unlimited access and equal opportunities would contradict the very nature of restrictions that characterize supply-side rationing, while encouraging excess demand goes against the aim of controlling costs through limited service availability.

8. What gross motor skill is characterized by the ability to catch and throw a ball with increasing accuracy?

- A. Tiptoeing
- B. Hopping on both legs**
- C. Running
- D. Standing

The ability to catch and throw a ball with increasing accuracy falls under the umbrella of gross motor skills that involve coordinated movements and the use of larger muscle groups. Hopping on both legs primarily focuses on balance and strength in the lower body, but it does not specifically address hand-eye coordination or the manipulation of objects like a ball. In contrast, the activity of catching and throwing a ball directly relates to the development of skills such as coordination, timing, and control over limb movement, which are essential components of gross motor development. Children typically practice these skills through play and sports, allowing them to refine their movements and improve their functional abilities over time. This progression in catching and throwing is a clear indicator of gross motor skills that evolve as a child grows, demonstrating their increasing capacity for complex motor tasks. The other options do not correlate with the action of catching and throwing. Tiptoeing involves balance and strength but not coordination with objects. Running incorporates speed and rhythm but does not focus on the manipulation of a ball. Standing is a basic skill that serves as a foundation for more complex motor activities but lacks the specific element of catching and throwing.

9. How do patient rights affect health economics?

- A. They ensure equal pricing for health services
- B. They empower patients in their health care journey**
- C. They reduce the need for healthcare professionals
- D. They complicate the regulatory process

Patient rights play a pivotal role in health economics by empowering patients in their health care journey. When patients are aware of their rights, they are more likely to engage actively in their health care decisions, seek relevant information, and advocate for their needs. This empowerment can lead to better health outcomes and improved patient satisfaction, which are ultimately beneficial for the overall efficiency and effectiveness of health care systems. The active participation of patients can lead to more informed choices related to treatment options and preventive measures, often resulting in more efficient use of health care resources. For instance, when patients understand their rights and what they are entitled to, they may choose to utilize preventive services rather than waiting until issues escalate, which can be more costly and complicated to treat later on. This empowerment can also affect demand for services, as patients who feel their rights are supported may seek care more proactively, potentially increasing the overall demand for health services. This increased demand must be balanced within the economic constraints of the health care system, highlighting the complex interplay between patient empowerment and health care economics. While equal pricing, reduction of health professionals, and regulatory complexities are important considerations, they do not directly capture the essence of how strengthening patient rights can drive better engagement and health outcomes, which are critical components of health

10. What is the significance of health care disparities?

- A. They indicate uniform access to health care services
- B. They lead to equal health outcomes for all populations
- C. They result in unequal access and quality of health care**
- D. They reflect government policies regarding health care

The significance of health care disparities lies primarily in their role in creating unequal access and quality of health care across different populations. These disparities often stem from a range of factors such as socioeconomic status, geographic location, race, and ethnicity, which can affect individuals' ability to access necessary medical services. Health care disparities highlight systemic inequalities within the health care system that can lead to poorer health outcomes for disadvantaged groups. For instance, a population with limited access to health care services may face higher rates of chronic illnesses, lack of preventive care, and ultimately, increased morbidity and mortality. The awareness of these disparities is critical for policymakers and health care providers, as it drives initiatives aimed at improving access and ensuring that all individuals receive equitable health care services. This understanding contrasts with the incorrect options, which either suggest that disparities indicate uniformity and equality in health care access or that they reflect purely government policies without acknowledging the multifaceted nature of the issue.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://healthcarecon.examzify.com>

We wish you the very best on your exam journey. You've got this!

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