

10. **Monopoly, Dominance and Entry:** Leading Cases and Trends of Dominance; Sources and Sustaining Factors of Dominance; Concepts of Entry and Limit Pricing, Firm's Choice in the Potential Entry and the Special case of Ultra-Free Entry.
11. **Price Discrimination:** The Nature of Price Discrimination; Price Discrimination's Defects; "Predatory Actions" Including Pricing and Cases of Price discrimination.
12. **Theories of Oligopoly:** Basic Theories of Interdependence; Models of Non-Collusive Duopoly; Game Theory and Pay-off Matrices; Kinked Demand Curve; Tacit Collusion and Price Leadership; Cost and Demand Conditions; Rules of Thumb Including Sales Maximization.
13. **Collusion in Real Markets:** Conditions Favoring Collusion; The Extent of Cooperation; Types of Collusion and Other Devices.
14. **Vertical Condition, Size and Competition:** Bilateral Monopoly; Vertical Integration; Vertical Restrictions; The Effects of Bigness and Diversification.
15. **Product Differentiation and Advertisement:** Selling Expense; Actual Patterns of Advertising; Analysis of the Role of Advertisement and its Evidence.

Part VI: Public Policies

16. **Deregulation and Privatization:** Regulation of Natural Monopoly; Deregulation; Public Enterprises and Privatization of Public Firms.

Basic Text

Shepherd, W. G., & Shepherd, J. M. (2004). *The Economics of Industrial Organization*. Long Grove: Waveland Press.

Books Recommended

1. Tirole, J. (2015). *The Theory of Industrial Organization*. Cambridge (Mass.): The MIT Press.
2. Waterson, M. (1990). *Economic Theory of the Industry*. Cambridge: University Press.

ECON 308: Health Economics

Credit Hours: 04

Rationale: Along with training and education, health is another component of human development that increases productivity. Like many other market health market is also plagued by information asymmetry and moral hazard problem. Removing of imperfection can help expand the health market. Introduction of health insurance and development of private initiative in the health market are important are that require proper government monitoring.

Prerequisites: Microeconomics, Financial economics

Course Objectives: The objective of the course is to understand the nature and functioning of the health market. Identifying the areas of imperfection and design remedial measures are the subject matter of this course.

Intended Learning Outcomes: After successful completion of the course, students will be able to:

1. comprehend the economic problems faced by the health sector;
2. understand the adverse selection and moral hazard problem in the health sector;
3. perform an economic evaluation of the health sector;
4. understand the role of insurance in expanding the coverage of the health sector; and
5. plan allocation of human resources for health sector development.

Course Content:

1. **Introduction to Health Economics:** Introduction to medical or health care economics; Relevance of health economics; Importance of health sector in macro economy; Economic problems faced by the health sector.
2. **Measuring Health Status and Determinants of Health indicators of health status:** Morbidity and mortality: physical, social and other functional indicators.

3. **Asymmetric Information:** Information and market; Asymmetric Information: extent of the problem in health sector; Health insurance and information; Adverse selection and moral hazard; Consumer information; Prices and quality.
4. **Applying the Demand Model to Health Sector:** The demand model; Impact of income, taste knowledge and prices on demand; Value of time as a demand shifter; Market effects of individual demand shift, Co-insurance as demand shifter; Empirical measurement of demand elasticity; Issues in measuring health care demand; Supplier induced demand.
5. **Health Insurance:** Risk and insurance; Demand for insurance; Risk aversion and willingness to pay for insurance: the optimal level of coverage; Effects of co-insurance and deductibles on demand; Social insurance.
6. **Economic Evaluation of Health:** Priority setting in health; Basic types of economic evaluation: cost-minimization; Cost effectiveness, cost-benefit and cost-utility analysis; Critical assessment of economic evaluation.
7. **Human Resources for Health (HRH) Development and Planning and Management:** Role of Human Resources Development (HRD) in health system development; Issues in HRH development; HRH planning; Long range workforce planning; Appropriate policies for HRH development and management.
8. **Health System in Bangladesh:** Health status of the population; Morbidity and mortality patterns; Nutritional status, Health care organizations health policies and programs; Health workforce development; Health service indicators; Financing health; Development of private health facilities.

Basic Text

Phelps, C. E. (2018). *Health Economics*. New York: Routledge.

Books Recommended

1. Ahmed, M., & Shuaib, M. (1995). Health Care: Current Issues. In Rehman, S. (ed.), *Experiences with Economic Reform: A Reviews of Bangladesh's Development 1995*. Dhaka: Center for Policy Dialogue.
2. Belayet, H. (1997). *Work-force Supply and Requirements Projections Assuming ESP for Health and Population Sector in Bangladesh*. A report prepared for HRD Master Plan Project. MOHFW and WHO Dhaka. 1997.
3. Belayet, H. (1998). *The Effect of Remuneration Incentives of Providers Behavior in the Health Sector of Bangladesh*. A report prepared for WHO, Geneva.
4. Drummond, M. (2017). *Methods for the Economic Evaluation of Health Care Programmes*. Oxford University Press.
5. Folland, S., Goodman, A. C., & Stano, M. (2017). *The Economics of Health and Health Care*. London: Routledge.
6. Khan, M. (1997). *Development of Private Health Care Facilities in Dhaka City: Impacts of Cost, Access and Quality*(ICDDR B Working Paper). Dhaka: ICDDR B.