



**AMREF INTERNATIONAL UNIVERSITY**  
**SCHOOL OF PUBLIC HEALTH**  
**DEPARTMENT OF HEALTH SYSTEMS MANAGEMENT AND DEVELOPMENT**  
**DEPARTMENT OF COMMUNITY HEALTH**  
**BSC HEALTH SYSTEMS MANAGEMENT AND DEVELOPMENT**  
**END OF SEMESTER EXAMINATION SEPTEMBER-DECEMBER, 2023**

**HMD 135 and CHP 321: HEALTH ECONOMICS**

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**Date : 4<sup>th</sup> December, 2023**

**TIME : TWO (2) Hours**

**Start: ...4.15PM.... Finish 6.15PM.....**

**INSTRUCTIONS**

1. This exam is marked out of 70 marks
2. This Examination comprises TWO Sections  
**Section A:** Compulsory Question (30 marks)  
**Section B:** Long Answer Questions (40 marks)

## **SECTION A: COMPULSORY (30 MARKS)**

### **Question One**

- a.** Describe the following concepts as applied in Health economics
  - i. Price elasticity( 1Mark)
  - ii. Price ceiling( 1Mark)
  - iii. Price floors( 1Mark))
  - iv. Price oligopoly( 1Mark)
- b.** Describe any three roles of health managers in health financing & financial management (3marks)
- c.** Outline four components of GDP in line to Health economics (4marks)
- d.** Highlight three factors affecting demand in the labour market (3marks)
- e.** With use a diagram describe the law of demand and supply as applied in health economics (5 marks).
- f.** Outline any four guiding principles in considering good health insurance (4marks)
- g.** Describe labour markets in line with health economics with a focus on competitive and non-competitive markets (4marks)
- h.** Highlight any three causes of inflation in Kenya (3marks)

**SECTION B: ANSWER ANY TWO (2) QUESTIONS (40 MARKS)**

**Question One**

- a. In the world today, nations use various mechanisms in financing their health systems. Discuss five mechanisms employed by the Government of Kenya (10 marks)
- b. Discuss the four branches of health economics (10 marks)

**Question Two**

- a. In human health, the economic performance can have a negative or positive impact on health. Likewise, the health can affect economic performance at individual or government level. Discuss the impact of health on economic performance and the impact of economic performance on health (10 Marks)
- b. Outline any five factors affecting demand of health services/goods in Kenya (5marks)
- c. The Government of Kenya can alter the performance of markets in terms of efficiency and equity. This can be done by employing various interventions in the market economy. Discuss (5marks)

**Question Three**

- a. Various types of cost analysis appraisals are carried in health organizations to ascertain their performance. In line with health economics, describe the following evaluation measures (10marks)
  - i. Cost-minimization analysis (4Marks)
  - ii. Cost-benefit analysis(4Marks)
  - iii. Cost-consequences analysis(4Marks)

- iv. Option Appraisal (4Marks)
  - v. Cost-Effectiveness Analysis(4Marks)
- b. QALY as a measure of health is a combination of the duration of life and the health-related quality of life. Assume a person who gets some disability at the age of 10, lives with the condition for 35 years, and suffers premature death at the age of 45. If the life expectancy for this person was 60 years, and the health-related quality of life weight associated with the condition was 0.75, Calculate: (5marks)
- i. The lifetime QALYs of this person
  - ii. The QALY loss for this person
- c. Discuss any five causes of economic inequality in Kenya (5marks)