



**AMREF INTERNATIONAL UNIVERSITY**  
**SCHOOL OF PUBLIC HEALTH**  
**DEPARTMENT OF HEALTH SYSTEMS MANAGEMENT AND DEVELOPMENT**  
**BSC HEALTH SYSTEMS MANAGEMENT AND DEVELOPMENT**  
**END OF SEMESTER EXAMINATION APRIL 2025**

**HMD 135/CHP321: Health Economics**

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**Date : April, 2025**

**Time : Two (2) Hours**

**Start: ..... Finish .....**

**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: SECTION A: ANSWER ALL QUESTIONS (30 MARKS)**

**Question One**

- a. Describe the following price controls used in the market:
  - i). Price ceilings (2marks)
  - ii). Price floors (2marks)
- b. Highlight four causes of inflation in a country (4marks)
- c. Give the difference between short-run and long-run costs (3marks).
- d. List five factors affecting demand and price of a Product in the market (5 marks)
- e. List four types of price discrimination (4marks).
- f. Outline five advantages of a competitive market (5marks)
- g. List five factors driving inequalities in health system (5marks).

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

### **Question Two**

- a. Discuss the four branches of economics (10 marks)
- b. Discuss the impacts of:
  - i. Health on economic performance (5 marks)
  - ii. Economic performance on health (5 marks)

### **Question Three**

- a. 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 15, lives with the condition for 27 years, and suffers premature death at the age of 42. 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:
  - i. The lifetime QALYs of this person (3marks)
  - ii. The QALY loss for this person (3marks)
- b. Outline four components of GDP in line to Health economics (4marks)
- c. The Government 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 five interventions that can be used (10marks)

### **Question Four**

- a. Discuss any three types of inflation (10marks)
- b. Explain five factors influencing the supply of labor in the market including the health sector (10marks)