



AMREF INTERNATIONAL UNIVERSITY
SCHOOL OF PUBLIC HEALTH
DEPARTMENT OF HEALTH SYSTEMS MANAGEMENT AND DEVELOPMENT
MASTER OF SCIENCE IN HEALTH SYSTEMS MANAGEMENT
END OF SEMESTER EXAMINATION JANUARY-APRIL 2026

UNIT CODE: HSM 720 **UNIT NAME:** HEALTH ECONOMICS
DATE: April, 2026
TIME: Three Hours **Start:** 5.:30 PM **Finish** 8: 30 PM

INSTRUCTIONS

1. This exam is marked out of 100 marks
2. This Examination comprises TWO Sections
Section A: Compulsory Question (25 marks)
Section B: Long Answer Questions (75 marks)

SECTION A: COMPULSORY (25 Marks)

Short Answer Questions

1. Distinguish between allocative efficiency and technical efficiency in health care delivery. (5 marks)
2. Explain how moral hazard arises in the health insurance markets. (5 marks)
3. Explain the opportunity cost in health care decision-making (5 marks)
4. Explain the difference between QALYs and DALYs and state one policy use of each. (5 marks).
5. Explain why health care markets often fail to meet the conditions of perfect competition. (5 marks)

SECTION B

ANSWER ANY THREE (3) QUESTIONS (75 Marks)

Long Answer Questions

6. Discuss five roles of cost-effectiveness analysis in health sector priority setting. (25 marks)
7. Using health economics principles, analyze the progress and challenges of achieving Universal Health Coverage in a low- and middle-income Country. (25 marks)
8. Explain five ways in which scarcity influences decision-making in health care systems. Illustrate your answer with one example from a low- or middle-income country (LMIC). (25 marks)
9. a) Using economic evaluation tools and concepts of opportunity cost, efficiency, and equity, analyze five ways in which the Ministry of Health should approach priority setting for NCD interventions (20 marks).
b) Justify your recommended allocation strategy above (5 marks).
10. Using health economics concepts and low- or middle-income country-based examples, assess how decentralization or devolution affects efficiency, equity, and accountability in health service delivery (20 marks).