



AMREF INTERNATIONAL UNIVERSITY
SCHOOL OF PUBLIC HEALTH
DEPARTMENT OF HEALTH SYSTEMS MANAGEMENT AND DEVELOPMENT
BSC HEALTH SYSTEMS MANAGEMENT AND DEVELOPMENT
BSC COMMUNITY HEALTH PRACTICE
END OF SEMESTER, SEM III EXAMINATION DECEMBER 2025

HMD 135/CHP321: HEALTH ECONOMICS

Date : 3RD December, 2025

Time : Two (2) Hours

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

1. Describe the following concepts as applied in Health economics (4marks)
 - i. Price elasticity (1 mark)
 - ii. Price ceiling (1 mark)
 - iii. Price floors (1 mark)
 - iv. Price oligopoly (1 mark)
2. Highlight five factors driving inequalities in health system (5marks).
3. Outline three market structures in health economics (3 marks)
4. Outline four components of gross domestic product (GDP) in line with Health economics (4marks)
5. Highlight four causes of inflation in a country (4marks)
6. Outline five roles of health managers in health financing and financial management (5 marks)
7. With the help of a diagram, describe the law of demand and supply in health economics (5 marks)

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

- 8) a.** Understanding the factors that influence the demand for health goods and services is essential in planning and delivering effective healthcare systems. Discuss five factors affecting demand of health goods and services (10 marks)
- b. Government interventions play a critical role in shaping market outcomes to promote both efficiency and equity in the health sector. Discuss five the interventions the Government can employ to alter the markets' performance in terms of efficiency and equity (10marks)
- 9) a.** Health financing mechanisms determine how resources are mobilized, allocated, and utilized to ensure access to quality healthcare services. Discuss five mechanisms of health financing in Kenya (10 marks)

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 35, lives with the condition for 20 years, and suffers premature death at the age of 55. If the life expectancy for this person was 65 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)
- c. Highlight four factors affecting supply of goods and services in the market (4 marks)

10) a. Understanding of the major branches of economics provides a strong foundation for analyzing and addressing health and economic issues. Discuss the four main branches of economics (10marks)

- b. The relationship between health and economic performance is interdependent, with each significantly influencing the other. Discuss the five impacts of health on economic performance; and economic performance on health (10 marks)