



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 SEP-DEC 2025
MAIN EXAM

UNIT CODE: HSM 720 UNIT NAME: HEALTH ECONOMICS
DATE: DECEMBER 2025
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. Differentiate health economics from general economics. (5 marks)
2. Describe the concept of opportunity cost and its relevance in healthcare decision-making. (5Marks)
3. With the help of an example explain what is moral hazard in health insurance? (5 marks)
4. Describe any two market failures in healthcare (5 marks)
5. Evaluate 5 economic challenges of achieving Universal Health Coverage (UHC) in low- and middle-income countries. (5 marks)

SECTION B (Set 5 Questions)

ANSWER ANY THREE (3) QUESTIONS (75 Marks)

Long Answer Questions

6. Discuss with the help of 6 examples how economic evaluation tools (CBA, CEA, CUA) inform resource allocation decisions in health systems. (25 marks)
7. With the support of 5 examples, discuss the determinants of healthcare demand and supply, and how they differ from other sectors of the economy. (25 marks)
8. Giving relevant examples discuss “Universal Health Coverage (UHC) is as much an economic challenge as a political one.” (25 Marks)
9. A new national insurance scheme aims to provide coverage to informal sector workers. Enrollment has remained low despite subsidies.
 - a. Analyze 5 possible economic barriers to enrollment (10 marks)
 - b. Analyze 5 behavioral barriers to enrollment. (10 marks)
 - c. Recommend 5 policy interventions to increase uptake and sustainability. (5 marks)
10. A hospital has limited funds to either purchase a CT scanner or expand its maternal health ward.
 - a. Discuss two economic evaluations can help guide this decision. (10 marks)
 - b. Describe 3 ethical and 2 political factors might influence the final choice beyond cost-effectiveness? (10 marks)
 - c. Explain how opportunity cost applies in this scenario. (5 marks)