



**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 2025**

**UNIT CODE:** HSM 720      **UNIT NAME:** HEALTH ECONOMICS  
**DATE:** 15th APRIL 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. a. Explain two physician-induced demands in primary health care (2 marks)  
b. list three consequences of physician induced demand (3 Marks)
2. Describe five economic challenges in healthcare (5marks)
3. Explain five characteristics that contrast the health markets from the basic market (5Marks)
4. a. Indicate five types of Market Failures in Health Care Economics (5 Marks)  
b. Describe any five distinctive causes of the above (a) market failures (5 Marks)

**SECTION B (Set 5 Questions)**

**ANSWER ANY THREE (3) QUESTIONS (75 Marks)**

**Long Answer Questions**

5. Health economists often distinguish between the methods of Cost-Benefit Analysis (CBA), Cost-Effectiveness Analysis (CEA) and Cost-Utility Analysis (CUA).
  - a. Explain what health economists mean by each of the three above-mentioned methods. (5 marks each=15 marks)

- b. Discuss using Two real-life circumstances under which any of the three types of methods seem particularly inappropriate for economic evaluation of health care programmes. (10 marks)
6. The objectives of a health system include effectiveness, efficiency, equity and quality. However, in most African countries, the attainment of these objectives has been Incrementally below par.
- a. i) Explain the meaning of this objectives (8 marks)  
ii) Give SEVEN reasons for the failure. (7 Marks)
- (b) Discuss why the national health accounts may not be enough to resolve problems of fairness, equity and efficiency in the health system? (10 marks)
7. Discuss with the use of any five real situations, the future challenges to health care systems. (25 marks)
8. Explain any five financing strategies in health care that can be applied to the developing countries health sector. (25 marks)
9. Discuss any five economic forces that would explain the trend in developing countries' health services delivery. (25 marks)