AMREF INTERNATIONAL UNIVERSITY

SCHOOL OF PUBLIC HEALTH

DEPARTMENT OF COMMUNITY HEALTH

BACHELOR OF SCIENCE IN COMMUNITY HEALTH

END OF SEMESTER EXAMINATION AUGUST 2026

MAIN EXAMS

UNIT CODE: CHP 321 UNIT NAME: HEALTH ECONOMICS

DATE: 10th August 2026
TIME: TWO Hours Start: 5:30 pm Finish 7:30 pm

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 (70 marks)

SECTION A: COMPULSORY (30 Marks)

Answer all questions

1. Define the following concepts in health economics:
   a. Demand (1mark)
   b. Supply (1mark)
   c. Scarcity (1mark)
   d. Market equilibrium (1mark)
   e. Opportunity cost (1mark)
2. State FIVE principles of economics relevant to healthcare systems (5 Marks)
3. List FIVE determinants of healthcare demand. (5 Marks
4. Outline FIVE sources of healthcare financing. (5 Marks)
5. State FIVE roles of government in health economics and healthcare markets. (5 Marks)
6. State five components of macro-economics(5 Marks)

SECTION B

ANSWER ANY TWO (2) QUESTIONS (40 Marks)

Question 7

A county government is planning to improve access to affordable and quality healthcare services. Before implementing the plan, the County Health Management Team wants to understand how different market structures affect the provision of healthcare.

Using this scenario:

a. Define the term market structure. (2 Marks)
b. Describe the four main market structures, highlighting their key characteristics. (8 Marks)
c. Explain five ways in which different market structures can influence the availability, pricing, and quality of healthcare services in the county. (5 Marks)
d. As a Community Health Officer, recommend five strategies the county government should adopt to promote a competitive, efficient, and equitable healthcare market. (5 Marks)

Question 8

The demand for childhood immunization services in a county has increased following a public health awareness campaign. However, health facilities are experiencing vaccine shortages.

a. Explain five factors that may have contributed to the increased demand for immunization services. (10 Marks)
b. As a Community Health Officer, recommend five measures to improve the supply of immunization services and maintain service quality. (10 Marks)

Question 9

A county hospital purchased medicines worth KSh 18,000,000 in 2024. The same quantity of medicines costs KSh 20,700,000 in 2025.

a. Using the information provided:
b. a) Calculate the percentage increase in medicine expenditure. (4 Marks)
c. b) Explain three causes of hospital price inflation (6 Marks)
d. c) Discuss three effects of healthcare inflation on healthcare service delivery. (6 Marks)
e. d) As a Community Health Officer, recommend four strategies the county government can adopt to control healthcare inflation while maintaining the quality of healthcare services. (4 Marks)