



**AMREF INTERNATIONAL UNIVERSITY**

**SCHOOL OF PUBLIC HEALTH**

**DEPARTMENT OF HEALTH SYSTEMS MANAGEMENT AND DEVELOPMENT**

**BSC HEALTH SYSTEMS MANAGEMENT AND DEVELOPMENT**

**END OF SEMESTER EXAMINATION JANUARY-APRIL, 2026**

**HMD 135: HEALTH ECONOMICS**

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**Date : 16th April, 2026**

**TIME : TWO (2) Hours**

**Start: ...9:00AM..... Finish. 11:00AM...**

**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: COMPULSORY (30 MARKS)**

1. Define the following concepts as applied in Health economics ()
  - a) Price elasticity (3 marks)
  - b) Price ceiling (2 marks)
  - c) Price floors (2 marks)
2. Highlight five roles of health managers in health financing & financial management (5marks)
3. Differentiate between Real and Nominal Gross Domestic Product (GDP) (4 marks)
4. With the help of a diagram, describe demand curve in health (5 marks)
5. Outline five factors affecting demand in the labour market (5 marks)
6. Outline four market structures in Kenya (4 marks)

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

7.
  - a. In Kenya, economists analyze how healthcare resources are efficiently allocated, and how technological innovations contribute to development; these perspectives illustrate the different branches of economics. Discuss five points about this statement (10 marks)
  - b. Economics is a social science that studies how individuals, firms, and governments allocate scarce resources to satisfy unlimited human needs, and it is divided into different branches that explain economic activities. Discuss five mechanisms of health financing in Kenya (10 marks)
8.
  - a. Various types of cost analysis appraisal are carried out in health institutions. Discuss any five economic appraisal measures that can be applied (10 marks)
  - b. Describe four causes of economic inequality in the health sector (4marks)
  - c. Quality-Adjusted Life Year (QALYs) are measures of health as a combination of the duration of life and the health-related quality of life (HRQoL). A person who gets some disability at the age of 18, lives with the condition for 37 years, and suffers premature death at the age of 55. If the life expectancy is 66 years, and the health-related quality of life weight associated with the condition is 0.85, calculate:
    - i. The lifetime QALYs of this person (3 marks).

ii. The QALY loss of this person (3 marks)

9.

- a. Discuss the impact of health on economic performance and the impact of economic performance on health (10 Marks)
- b. The government of Kenya can implement various interventions to correct market failures, enhance economic efficiency, and promote equity in the allocation of resources. Explain five government interventions in Kenya that can improve market performance by promoting efficiency and equity, providing relevant examples for each (10 marks)

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