



**AMREF INTERNATIONAL UNIVERSITY**  
**SCHOOL OF PUBLIC HEALTH**  
**DEPARTMENT OF HEALTH SYSTEMS MANAGEMENT AND DEVELOPMENT**  
**BACHELOR OF SCIENCE IN HEALTH SYSTEMS MANAGEMENT AND**  
**DEVELOPMENT**  
**END OF SEMESTER FINAL EXAMINATION**  
**MAY-AUGUST 2025**  
**HMD 413 HEALTHCARE FINANCING**

**TIME:** Two Hours

**Date :** 7 August 2025

**TIME :** Two (2) Hours      Start: 9:00 AM    End: 11: 00 AM

**INSTRUCTIONS TO CANDIDATES**

- 1) This exam is out of 70 marks
- 2) Section-A is compulsory with a Total of 30 Marks
- 3) Answer any TWO (2) questions in Section B

## **SECTION A (COMPULSORY - 30 MARKS)**

1. Define the following terms as used in the context of healthcare finance:
  - i) Health financing. (2 marks)
  - ii) Assets. (2 marks)
  - iii) Universal coverage. (2 marks)
  - iv) Revenue. (2 marks)
  - v) Expenditure. (2 marks)
2. Distinguish between Business entity concept and Duality concept with relevance to healthcare finance. (5 marks)
3. Outline five roles of health managers in financial management of health care organizations. (5 marks)
4. Highlight five benefits of universal health coverage in Kenya. (5 marks)
5. Differentiate between Asset based approach and income approach as methods of financial asset and liability valuation in Healthcare. (5 marks)

## **SECTION B (40 MARKS)**

**Answer any TWO (2) questions**

6. a) Analyze the framework for health financing mechanisms detailing the role of revenue generation, risk pooling and purchasing mechanisms. (10 marks)  
b) Describe five costing tools used in healthcare management accounting to aid in financial decision-making. (10 marks)
7. a) Budgeting in health care financing offers several significant benefits. Explain five such benefits of budgeting in health care financing. (10 marks)  
b) Many organizations follow the International Financial Reporting Standards (IFRS). Analyze five roles of financial accounting standards to a health organization. (10 marks)

8. a) Addressing challenges facing Health Care Financing requires a multifaceted approach. Examine five challenges facing health care financing in Kenya today. (10 marks)
- b) A diverse mix of financing sources is crucial for creating a sustainable and equitable health care system. Explain five Sources for financing health care services for a country. (10 marks)
9. a) Adhering to principles of financial management in health care organizations can enhance their service delivery. Explain five principles of financial management in health care. (10 marks)
- b) Internal control measures may reduce organizational risk of fraud and ensure compliance with regulatory requirements. Outline five Internal control measures that may be adopted in healthcare financing. (10 marks)