MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

THIRD YEAR SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF ECONOMICS AND STATISTICS

BACHELOR OF ECONOMICS AND STATISTICS

BACHELOR OF ECONOMICS

EAE 309: HEALTH ECONOMICS

DATE: **TIME:**

INSTRUCTIONS

1. Answer Question **ONE** and any other **TWO** questions
2. **Do not** write on the question paper.

QUESTION ONE (COMPULSORY) (30 MARKS)

a) Discuss **five** factors influencing the demand of health care. (10 marks)

b) Malaria free environment is conducive to economic growth. Why or why not. (5 marks)

c) Discuss how high fertility leads to poverty. (5 marks)

d) When efficient health care market requirements are not met, market failure occurs. Discuss at least **five** possible causes of health care markets failure. (10 marks)

QUESTION TWO (20 MARKS)

a) Discuss the aggregate measures of population health status. (10 marks)

b) One of the causes of health care market inefficiency is presence of externalities. Write shorts on positive and negative externalities explaining how they affect healthcare markets. How can externalities be corrected. (10 marks)

QUESTION THREE (20 MARKS)

a) What are the general objectives that drive the health care system of any nation? Discuss at least **four**. **(8 Marks)**

b) Discuss the peculiarities of healthcare markets. **(8Marks)**

c) Distinguish between health and healthcare system. (4 marks)

QUESTION FOUR (20 MARKS)

a) It is commonly said that "Health is Wealth." This statement underscores the significant influence of health status of a country on the economic growth of the nation. Discuss the channels through which health influences the economy. (10 marks)

b) From your personal perception, what are challenges facing health systems in African countries and how can they be solved. (10 marks)

QUESTION FIVE (20 MARKS)

a) Write short notes on the following concepts used in population health economics.

i) Moral hazard (5 marks)

ii) Adverse selection (5 marks)

iii) QALY (5 marks)

iv) DALY (5 marks)