UNIVERSITY EXAMINATIONS

2ND SEMESTER 2023/2024 ACADEMIC YEAR

THIRD YEAR EXAMINATION FOR THE DEGREE BACHELOR OF SCIENCE IN ECONOMICS AND STATISTICS AND BACHELOR ARTS IN ECONOMICS AND SOCIOLOGY

ECON 322: HEALTH ECONOMICS

STREAM: ECON/STAT   **TIME: 2 HRS**

DAY: FRIDAY [8.30-10.30 A.M]   **DATE: 12/04/2024**

THIS QUESTION PAPER CONSISTS OF THREE (3) PAGES

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INSTRUCTIONS: Answer QUESTION ONE and other TWO QUESTIONS

QUESTION ONE (COMPULSORY) (30 MARKS)

a) Discuss five factors influencing the demand of healthcare. **(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) i) One of the causes of healthcare market inefficiency is presence of externalities. Explain positive and negative externalities that affect healthcare markets. **(6 marks)**

ii) How can these externalities be corrected? **(4 marks)**

QUESTION THREE (20 MARKS)

a) Discuss at least four general objectives that drive the health care system of any nation?

(8 Marks)

b) Discuss the different peculiarities in the 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) i) Explain the various challenges facing health systems in African countries

ii) How can the challenges in b (i) above be resolved? **(10 marks)**

QUESTION FIVE (20 MARKS)

Use appropriate examples to explain the following concepts used in health economics.

i) Moral hazard **(5 marks)**

ii) Adverse selection **(5 marks**)

iii) QALY **(5 marks)**

iv) DALY **(5 marks)**