



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**SCHOOL OF HEALTH SCIENCES**  
**UNIVERSITY EXAMINATION FOR BACHELOR OF SCIENCE IN COMMUNITY**  
**HEALTH AND DEVELOPMENT/ PUBLIC HEALTH**  
**4<sup>TH</sup> YEAR 2<sup>ND</sup> SEMESTER 2019/2020 ACADEMIC YEAR**

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**COURSE CODE: HCB 3421**

**COURSE TITLE: HEALTH ECONOMICS AND FINANCING**

**DATE:**

**TIME:**

**2.00 HOURS**

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**Instructions:**

- 1. Answer all the questions in Section A and ANY other 2 questions in Section B.**
- 2. Candidates are advised not to write on the question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room.**

**SECTION A: Answer All Questions (30mks)**

1. Define the following terms as used in health economics
  - a) Demand and supply for health care (2mks)
  - b) Production possibility frontier (1mks)
2. State three characteristics of health (3mks)
3. State three types of costs in health care (3mks)
4. Highlight three benefits of economic evaluations (3mks)
5. Explain the term externality as used in health economics (3mks)
6. Highlight any three determinants of health care financing (3mks)
7. Outline any three causes of health care markets failure (3mks)
8. State the following laws as applied in health economics
  - a) Law of marginal diminishing returns (1mk)
  - b) Law of demand (1mk)
  - c) Law of supply (1mk)
- 9 Highlight factors affecting demand for health insurance (3mks)
- 10 Highlight three functions of National Health Insurance Fund (NHIF) (3mks)

**SECTION B: Answer Any Two Questions (40MKS)**

- 10a) Using the following demand and supply functions. Compute the equilibrium price and quantity

$$Q_d = 100 - 8P \text{ and } Q_s = 40 + 4P \quad (6\text{mks})$$

- b) A given study has shown that the quantity demanded for Dashen Beer has increased by 10%

during the same period the income of the population of the town is assumed to have increased by 5%; based on the information provided:

- a) Calculate the income elasticity of demand – (3mks)
- b) Discuss the business policy implications of the result (3mks)

- c) Citing examples, explain two theories that explain reasons for government intervention in health (8mks)

- 12a) Discuss the technical features of National social health insurance (10mks)

- b) Explain the merits and demerits of National social health insurance (10mks)
- 13 As a county director of health, you have been promised increased funding next year if you can make significant efficiency savings in the regions' health services
- a) Explain the likely main causes of inefficiencies in your County (8mks)
- b) Explain types of government interventions in health care markets (12mks)