



# MACHAKOS UNIVERSITY

University Examinations for 2021/2022 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

THIRD YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF ECONOMICS AND STATISTICS

BACHELOR OF ARTS

BACHELOR OF ECONOMICS

EAE 309: HEALTH ECONOMICS

DATE:

TIME:

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## INSTRUCTIONS:

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

## QUESTION ONE (COMPULSORY) (30 MARKS)

- a) “Medical care markets are different from other markets analysed in economics.” Using examples, critically examine the validity of this statement. (8 marks)
- b) The global health concern has focused attention on women and children as the most vulnerable group who tends to suffer the most in terms of their socio-economic status. With the aid of an appropriate diagram and brief explanation, describe the channels linking high fertility to poverty. (8 marks)
- c) Using relevant diagrams derive and explain medical care demand curve. (6 marks)
- d) State and explain whether the following statements are True or False. (8 marks)
  - i) Health is tradable.
  - ii) Poorly managed obstetric complications may lead to poverty.
  - iii) Anthropometry is a measure of the health status of the elderly.
  - iv) Demand for health insurance is a derived demand.

## QUESTION TWO (20 MARKS)

- a) Health and Healthcare has been a key policy issue in developing economies for years. Discuss any four goals that characterize your country's healthcare system. (8 marks)
- b) 'Medical care does not stand alone in affecting health' critically examine the validity of this statement. (6 marks)
- c) Suppose you are a financial health consultant explain circumstances where cost utility analysis (CUA) may be applicable. (6 marks)

## QUESTION THREE (20 MARKS)

- a) Consider the calculation of DALYs of a woman who has been deaf since she was 10 and dies when she is 64. Life expectancy at birth is 80 and Disability weight of deafness is set at 0.30. Calculate the DALYs of this person. (6 marks)
- b) Using examples explain the causes of healthcare markets failure. (8 marks)
- c) Discuss the available regulatory strategies that can be associated with the healthcare market. (6 marks)

## QUESTION FOUR (20 MARKS)

- a) By means of an illustration, clearly identify and discuss potentially causal relationships between health and poverty. (8 marks)
- b) Using relevant examples explain any four aggregate measures of population health status. (8 marks)
- c) Distinguish deductibles and coinsurance in health care insurance. (4 marks)

## QUESTION FIVE (20 MARKS)

- a) Using relevant examples discuss the impact of conflict on healthcare system. (8 marks)
- b) Using a diagram explain what happens to the level of income when a person falls sick. (4 marks)
- c) Kenya's Cabinet secretary for health in Kenya has frequently requested citizens to seek medical care over the last few months of COVID -19 crisis. This is because healthcare demand has been declining. Discuss factors that influence healthcare demand in your country. (8 marks)