

**UNIVERSITY OF KABIANGA**

**UNIVERSITY EXAMINATIONS**

**2014/2015 ACADEMIC YEAR**

**FOURTH YEAR FIRST SEMESTER EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF ARTS (ECONOMICS)**

**COURSE CODE: ECO 425**

**COURSE TITLE: HEALTH ECONOMICS**

**DATE: 8TH DECEMBER, 2014**

**TIME: 2.00 P.M- 5.00 P.M**

**INSTRUCTIONS TO CANDIDATES:**

Answer question **ONE** and any other **THREE** questions.

**QUESTION ONE (25 MARKS)**

1. Define the terms health and health economics. (4 marks)
2. Briefly explain the economic questions in relation to the concept of health care. (6 marks)
3. Explain **four** economic implications of good health to a nation’s economy. (8 marks)
4. i. Define the term equity in relation to health care. (2 marks)

ii. Highlight **three** broadways of defining equity in health care. (3 marks)

1. Differentiate between vertical and horizontal forms of equity. (2 marks)

**QUESTION TWO (15 MARKS)**

1. Highlight any **five** ways in which health care differs from other goods and services. (5 marks)
2. Briefly explain any **five** reasons for existence of market failure in an economy. (10 marks)

**QUESTION THREE (15 MARKS)**

1. Explain the sources of the increasing demand and costs of health care systems in both developing and developed countries. (8 marks)
2. Explain how the government can intervene to solve the problem of market failure. (7 marks)

**QUESTION FOUR (15 MARKS)**

1. Explain the factors that affect the demand for health care. (6 marks)
2. Explain the concepts of economy, effectiveness and efficiency as requirements of health services. (6 marks)
3. Highlight **three** different perspectives of health. (3 marks)

**QUESTION SIX (15 MARKS)**

1. Explain the factors that affect the supply of health care in an economy. (8 marks)
2. With the help of a diagram, explain how health care market equilibrium is obtained. (7 marks)