

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATION

RESIT/SPECIAL EXAMINATION

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF

ECON 454: HEALTH ECONOMICS

STREAMS:

TIME: 2 HOURS

DAY/DATE: THURSDAY 04/11/2021

2.30 P.M – 4.30 P.M

INSTRUCTIONS:

Answer question One and any other Two questions

Question One

- a) Explain the following concepts used in health economics [10marks]
 - i) Adverse selection
 - ii) Co-insurance
 - iii) Health
 - iv) Health care
 - v) Moral hazard
- a) The Health care market is very different from other markets. Explain [10marks]
- b) Market failure is pervasive in the health sector. Explain five sources of market failure in health care. [10marks]

Question two

- a) Explain the main factors influencing health status [10 marks]
- b) With promulgation of new constitution in Kenya in 2010, health care sector was devolved. Explain the limitations of this [10marks]

Question Three

- a) Explain the main factors that determined an individual's demand for private health insurance. [10marks]

- b) With aid of a diagram, distinguish between technical and allocative efficiency as used in health care production. [10marks]

Question Four

- a) Distinguish between Ex ante and Ex post moral hazard. What are the main sources of moral hazard?
[10marks]
- b) Comparative analysis of costs of alternative health care programmes is common to all forms of Economic Evaluations. Explain the factors that are considered for economists to know which costs to be used in analysis. [10marks]
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