Moderated
24/1/2020

KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS
SEMESTER TWO EXAMINATIONS FOR THE DEGREE.
2019/2020

Externally Moderated
03/02/2020

Health Economics: **EAE 309**

QUESTION ONE

a) Clearly distinguish between the following pair of terms (6 marks)
   i) health and healthcare
   ii) demand and need for health care
   iii) health systems and health care systems

b) Grossman used the theory of human capital to explain the demand for health and health care. ~~Explain~~ Discuss

i) Explain the important aspects of health demand ~~differ~~ from the traditional approach to demand according to Grossman (8 marks) delete

ii) ~~Explain how this model has been criticized~~ Explain the limitations of this theory (4 marks)

c) Explain the reasons why like a competitive system a socialized health care system does not exist in its ideal form in the real world (12 marks)

QUESTION TWO

a) Government intervention in the health care market may be promoted on either efficiency or equity grounds. Explain the reasons why just like the market fails to allocate resources optimally, the government may also fail (8 marks)

b) Analyze to what extent the various types of market failures are evident in the Kenyan Health Care sector. (12 marks)

Q3 (a) should ~~follow~~ be 2(c) of Q2) rearrange marks

QUESTION THREE

a) How has the Kenyan government tried to address different types of market failures in the health sector? (6 marks)

Set another question to stand for 3(a) and rearrange marks.

b) i) What are the major problems facing health insurance in the Kenyan market?

(8 marks)

ii) Explain some of the measures that can be put in place by the insurance companies to reduce these problems. (6 marks)

QUESTION FOUR

a) The form and level of health care financing are now major policy issues for most developing countries and it is essential that decision makers have a clear understanding of the implication of alternative approaches for financing health care. Explain the factors that influence the choice of a financing system. (14 marks)

b) Define cost benefit analysis and explain ~~its~~ it is differen~~ce~~t from cost effectiveness analysis.

(6 marks)

QUESTION FIVE

a) In 2010 Kenya passed a new constitution that introduced devolved county governments, and a substantial transfer of responsibility of healthcare from the central government to these counties. Explain the arguments for and against decentralization of healthcare in Kenya (10 marks)

b) Explain the different perspectives on the importance of health and the possible roles of the state in promoting it. (10 marks)