AFRICAN ECONOMIC RESEARCH CONSORTIUM

Collaborative Masters Programme in Economics for Anglophone Africa (Except Nigeria)

JOINT FACILITY FOR ELECTIVES (JFE) 2011
JUNE – SEPTEMBER

HEALTH ECONOMICS I

First Semester: Final Examination

Duration: 3 Hours   **Date: Friday, August 5, 2011**

INSTRUCTIONS:

1. Attempt a total of **FOUR (4)** questions only.
2. Section A is **COMPULSORY**.
3. Budget your time well i.e. 45 minutes per question.
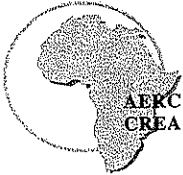4. Be clear, precise and concise.

Section A: Compulsory

Answer ALL Questions in this Section

Question 1

For each of the following statements, indicate whether they are **TRUE** or **FALSE** and **BRIEFLY JUSTIFY** your answer.

(a)   Healthcare is the same as medical care.   **(5 marks)**

(b)   Demand for healthcare is derived demand.   **(5 marks)**

(c)   In the Grossman model of demand for health, health is demanded by consumers only because it is a consumption commodity.   **(5 marks)**

(d)   Self-care is synonymous with self-medication.   **(5 marks)**

(e)   Exposure to *Mycobacterium Tuberculosis* is a necessary and sufficient condition for Tuberculosis to develop.   **(5 marks)**

Attempt ONLY THREE (3) Questions from this Section

Question 2

(a)   Briefly, describe any five (5) forms of inefficiencies that characterize referral hospitals in your country.   **(5 marks)**

(b)   With reference to your country, explain any ten (10) approaches to improve efficiency or value for money in referral hospitals and/or to address the inefficiencies highlighted in (a) above.   **(20 marks)**

Question 3

(a)   Describe any six (6) special attributes of medical care that distinguish it from the conventional "goods" considered in economics.   **(10 marks)**

(b)   Using examples you are familiar with, explain any ten (10) determinants of the demand for healthcare.   **(15 marks)**

Question 4

(a)   Using any three (3) examples of each from your country, distinguish between communicable and non-communicable diseases.   **(5 marks)**

(b)   Describe any five (5) uses of epidemiology and the information generated by epidemiologic methods in controlling diseases in your country.   **(10 marks)**

(c)   Using familiar examples from your country, briefly describe any six (6) social determinants of health.   **(10 marks)**

Question 5

By means of an illustration, clearly identify and explain as many distinct, and potentially causal, relationships as you can between: **Health, Healthcare** and **Economic Performance** for your country.   **(25 marks)**

Question 6

(a)   Using any two examples for each, from health insurance, distinguish between moral hazard and adverse selection.   **(5 marks)**

(b)   Suggest any two ways of addressing each of the agency problems in (a) above.   **(5 marks)**

(c)   Explain briefly any seven (7) merits of health insurance in improving financing of and access to health care in your country.   **(15 marks)**