



AFRICAN ECONOMIC RESEARCH CONSORTIUM
Collaborative Masters Programme in Economics for Anglophone Africa
(Except Nigeria)

JOINT FACILITY FOR ELECTIVES (JFE) 2016
JUNE – SEPTEMBER

HEALTH ECONOMICS I
First Semester: Final Examination

Duration: 3 Hours

Date: Wednesday, August 3, 2016

INSTRUCTIONS:

1. This examination is divided into two sections: A and B.
2. **Section A is COMPULSORY.** In addition, you are required to attempt **ANY THREE** questions from **Section B.**
3. Budget your time well i.e. 45 minutes per question.
4. Be clear, precise and concise.

SECTION A:

The Question in this Section is COMPULSORY

Question 1

- (a) Briefly, present the Grossman model of demand for health. **(10 marks)**
- (b) Highlight any five limitations of the Grossman model of demand for health. **(5 marks)**
- (c) Explain any five adjustments you can make to the Grossman model of demand for health to reflect the realities of the 21st Century. **(10 marks)**

SECTION B:

Attempt ANY THREE Questions Only from this Section

Question 2

- (a) Briefly, describe any five forms of inefficiencies that characterize referral hospitals in your country. **(10 marks)**
- (b) With reference to your country, explain any five approaches to improve efficiency or value for money in referral hospitals and/or to address each of the inefficiencies highlighted in (a) above. **(15 marks)**



Question 3

- (a) Using any two examples for each, from health insurance, distinguish between hidden action and hidden information. **(5 marks)**
- (b) Suggest any two ways of addressing each of the agency problems in (a) above. **(5 marks)**
- (c) Explain briefly any five merits of health insurance in improving financing of and access to health care in your country. **(15 marks)**

Question 4

- (a) Explain any six special attributes of medical care that set it apart from the conventional "goods" considered in economics. **(10 marks)**
- (b) Using examples you are familiar with, explain any ten determinants of the demand for healthcare. **(15 marks)**

Question 5

- (a) Using any three real-life examples from your country, explain what medication errors are? **(7 marks)**
- (b) Explain any five causes of medication errors in your country. **(10 marks)**
- (c) Suggest any five practical strategies to minimize the occurrence of medication errors in your country. **(8 marks)**

Question 6

Sato (2012) has noted that Traditional Medicine (TM) or Complementary and Alternative Medicine (CAM) is popular in sub-Saharan Africa, where over 80 percent have reported its utilization.

With reference to your country and using real-life examples, write an essay highlighting the socio-economic and cultural factors that account for the rising popularity of traditional medicine.

(25 marks)