

**TECHNICAL UNIVERSITY OF MOMBASA**  
**FACULTY OF APPLIED AND HEALTH SCIENCES**  
**DEPARTMENT OF ENVIRONMENT & HEALTH SCIENCES**  
**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF**  
**SCIENCE IN COMMUNITY HEALTH(BSCH 13J)**  
**BSCH /4<sup>TH</sup> YEAR/ 2<sup>ND</sup> SEMESTER**  
**APH 4408: HEALTH CARE FINANCING & ECONOMICS**  
**SEMESTER EXAMINATION**  
**SERIES: APRIL/MAY 2016**  
**TIME: 2 HOURS**

*Instructions to Candidates*

This paper consists of FIVE questions

Answer question ONE (COMPULSORY) and any other TWO questions.

*This paper consists of two printed pages.*

Q 1 a). Define the following terms as used in health and economics .

i) Market equilibrium (2mks)

ii) Price elasticity of supply (2mks)

iii) Moral hazard (2mks)

iv) Positive economics (2mks)

b) State any four problems of economics that economists tend to study (4mks)

c) Outline major determinants of poor health in developing countries (5mks)

d) Define the terms net present value and discount rate (4mks)

e) State five drawbacks of private financing (5mks)

f) Highlight four aspects of health insurance contracts in Kenya (4mks)

Q 2. a). Explain the relevance of encouraging diversity and competition in improving the health system? (10mks)

b) Use a well labeled diagram to explain the market disequilibriums (10mks)

Q 3. a) Discuss why is double counting a problem in the measurement of national output and what is the proposed solution thereto? (10mks)

b) Explain the relevance of good health in economic development of a country (10mks)

Q 4a). Explain the cost implications of ill health (10mks)

b) Explain any five problems faced by the Kenyan government in public financing health care (10mks)

Q 5. a) Discuss how demographic conditions can affect the choice of health care financing systems (10mks)

b) Explain any five factors influencing demand of a product (10mks)