



"Investing in Africa's future"

COLLEGE OF HEALTH, AGRICULTURE & NATURAL SCIENCES

DEPARTMENT OF PUBLIC HEALTH AND NURSING

NSHA301 HEALTH ECONOMICS AND HEALTH CARE FINANCING

BHSM

END OF SECOND SEMESTER FINAL EXAMINATIONS

APRIL/MAY 2023

LECTURER: MR T.T. DZVAIRO

DURATION: 3 HRS

INSTRUCTIONS

You are required to answer questions as instructed below

Answer **ANY FOUR (4)** questions in this paper

Credit will be awarded for logical, systematic and neat presentations

Each question to be answered on a new page

Question 1

- a. With the help of appropriate examples explain the following concepts as they relate to healthcare:
- i. Asymmetric Information (2 marks)
 - ii. Moral Hazard (2 marks)
 - iii. Adverse selection (2 marks)
- b. List 4 major uses of funds in health care and 4 sources of funding in health care (8 marks)
- c. What are the main determinants of demand for medical care i.e. what causes a shift in the demand curve for medical care (6 marks)
- d. Explain the concept of supplier-induced demand in health care (5 marks)

Question 2

- a. From the patient's viewpoint, the need for medical care is not always clear-cut. Outline the five fundamental factors that have an impact on the demand for healthcare services (5 marks)
- b. The associations between health and national development are complex. The interaction is a two-way phenomenon with health being both influenced by and influencing economic development. Discuss this statement. What are the main determinants of poor health in poor countries (10 marks)
- c. Write down the factors that influence the choice of a financing system and explain the main features of a good healthcare financing system from both the community and household's points of view (10 marks).

Question 3

- a. Outline the advantages and disadvantages of user fees. What mechanisms can be used to exempt the poor from paying for health care? (9 marks)
- b. Externalities are another source of market failure. What is an externality? (8 marks)
- c. Managed health are demand and supply side measures that attempt to control a patient's

demand and control overall expenditure through financial penalty in the event of claim.

Explain some of the mechanism used to control demand and supply in managed health care.

(8 marks)

Question 4

Health care is expensive, we cannot predict when we are going to be ill, and postponing buying health care is often risky due to problems of risk and uncertainty. Discuss problems that occur in health care due to problems of asymmetric information under the following headings: adverse selection; moral hazard; rational choices; information problems; doctors as agents for patients, supplier-induced demand; consumers as satisfaction maximizers; imperfect competition; externalities; equity and healthcare

(25 marks)

Question 5

As a Health Economist you have been tasked by your government to advise them on which health programme should be prioritized between HIV/AIDS and COVID-19. Which technique of economic evaluation will you employ and why do you think that technique is appropriate in comparing the two health programs?

[25 Marks]

Question 6

a.) Define and discuss the meanings of the following terms and phrases:

i. Demand [3 Marks]

ii. Quantity demanded [3 Marks]

iii. The demand schedule [3 Marks]

iv. The demand curve [3 Marks]

b.) Discuss the weaknesses of government financing. [6 Marks]

c.) Describe the basic problems of economics and show the relevance of economics as a field of study. [7 Marks]

END OF EXAM