

THE OPEN UNIVERSITY OF SRILANKA
DEPARTMENT OF SOCIAL STUDIES
BA DEGREE IN SOCIAL SCIENCES – 2015/2016
FINAL EXAMINATION - LEVEL 4
SSU2132 - HEALTH ECONOMICS



DURATION: 03 HOURS

Date: 05th April 2016

Time: 1.30 p.m. – 4.30 p.m.

Instructions

- Answer four (04) questions. Each question carries 25 marks.

01. Discuss the scope of health economics using the framework of health economics. (25 marks)
02. (a) Define the concept of derived demand (5 marks)
 (b) Discuss the influence of the following on the demand for healthcare
 (i) Physicians' factors (10 marks)
 (ii) Patients' factors (10 marks)
03. (a) Describe the general model of health care system (10 marks)
 (b) Discuss the roles of actors indicated in the above model (15 marks)
04. Explain the influence of health insurance on the following using a diagram (5 marks each)
 (a) Consumer surplus when no insurance
 (b) Price level with insurance
 (c) Quantity supplied when no insurance
 (d) Market equilibrium points with insurance
 (e) Net gain to society after introducing insurance
05. (a) Describe the role of physicians in the healthcare system (5 marks)
 (b) Explain the model of physicians-patients relationship (10 marks)
 (c) Graphically explain physicians induced demand (10 marks)
06. (a) Compare Cost Effectiveness Ratio and Cost Utility Ratio (15 marks)
 (b) Describe Quality Adjusted Life Years (QALY) (10 marks)
07. (a) Explain Cost Effectiveness Analysis (CEA) with an example (12.5 marks)
 (b) Explain Cost Benefit Analysis (CBA) with an example (12.5 marks)
08. Write brief notes on any five of the following with appropriate examples (5 marks each)
 (a) Opportunity cost
 (b) Disability adjusted life years
 (c) Perfect competitive market
 (d) Merit goods
 (e) Asymmetric information
 (f) Fundamental issues of economics