

THE OPEN UNIVERSITY OF SRILANKA  
 DEPARTMENT OF SOCIAL STUDIES  
 BA DEGREE IN SOCIAL SCIENCES – LEVEL 4  
 FINAL EXAMINATION 2017/18  
 SSU2132/DSU4332- HEALTH ECONOMICS



**DURATION: 03 HOURS (THREE HOURS)**

**Date: 03<sup>rd</sup> June 2018**

**Time: 1.30p.m.-4.30p.m.**

**Instructions:**

➤ Answer five (05) questions. Each question carries 20 marks.

1. Discuss the importance of studying health economics as an area affecting both individuals and the economy of a nation.
2. Discuss the influence of the following on the demand for healthcare. Use appropriate graphs.
  - (i) Physicians factors
  - (ii) Patients factors
3. (a) Describe the general model of health care system  
 (b) Discuss the roles of actors indicated in the above model
4. 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
5. (a) Describe the models of physician-patient relationship.  
 (b) Graphically explain the supplier induced demand.
6. (a) Compare Cost Effectiveness Ratio and Cost Utility Ratio.  
 (b) Describe Quality Adjusted Life Years (QALY).
7. (a) Explain Cost Effectiveness Analysis (CEA) with an example.  
 (b) Explain Cost Benefit Analysis (CBA) with an example.
8. (a) Why do market failures occur in the health care sector?  
 (b) What are the issues related with the distribution of health care?

9. Write brief notes on any **four (04)** 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

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