

THE OPEN UNIVERSITY OF SRI LANKA  
 DEPARTMENT OF SOCIAL STUDIES  
 BA DEGREE PROGRAMME IN SOCIAL SCIENCES – LEVEL 4  
 FINAL EXAMINATION – 2018/2019  
 DSU4332- HEALTH ECONOMICS



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

**Date: 27.07.2019**

**Time: 1.30pm – 4.30pm**

**Instructions:**

**Answer any five (05) questions only. Each answer carries 20 marks.**

1. Discuss the scope of health economics using the framework of health economics.
2. In the case of a payment for a medical surgery, discuss how the re-imburement, risk management and consumer cost sharing takes place.
3. Explain the government involvement in health care with appropriate examples.
4. Explain the influence of health insurance on the following using a diagram. (05 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. “Market for physicians’ service is more monopolistically competitive than perfectly competitive”. Critically analyse this statement.
6. Explain the ‘social cost’ and ‘social benefit’ concepts related to the health sector with appropriate examples.
- 7.a) Compare Cost Effectiveness Ratio and Cost Utility Ratio.  
 b) Describe Quality Adjusted Life Years (QALY) with a suitable example.
8. Critically analyze the pros and cons of government doctors being permitted to do private practice.
9. Write brief notes on any **four** of the following with appropriate examples. (05 marks each)
  - a. Role of third-party players (TPP)
  - b. Derived demand
  - c. Cost Effective Analysis (CEA)
  - d. Health Utility Index (HUI)
  - e. Externalities in health care