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University of Sri Jayewardenepura  
Faculty of Humanities and Social Sciences

Bachelor of Arts Fourth Year Second Semester Examination – January/February 2019

Economics

**ECON 4273.02 – Economic Analysis of Healthcare**

*Instructions*

*Duration: 03 hours*

*Answer only five (05) questions.*

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- 01 i. Briefly explain how the economist's view of providing healthcare is different from health expert's view. ( 8Marks)
- ii. "The price of health care is generally considered to be higher than the competitive market price" Review this statement. ( 8 Marks)
- 02 i. Discuss how the health care investment of individuals affects their labour- leisure trade off. ( 8 Marks)
- ii. Briefly explain the economic rationale behind the provision of basic healthcare needs by a government. ( 8 Marks)
- 03 i. Explain how the problem of asymmetric information relates to the health care market and discuss its effect on market efficiency. ( 8 Marks)
- ii. "Health insurance is a perfect solution for the problem of risk and uncertainty in health care market." Do you agree with this statement? Explain your answer. ( 8 Marks)

- 04 i. Why should the health care programmes be evaluated in economic perspective? (06 Marks)
- ii. Distinguish between the allocative efficiency and technical efficiency of health care programmes and give examples of their applications in different evaluation methods. (10 Marks)

- 05 i. Discuss the importance of quality of life in evaluating health care programmes and explain how it is incorporated in evaluations? (06 Marks)
- ii. Explain the challenges faced by the health sector with aging population and discuss how to overcome those challenges. (10 Marks)

- 06 Write short notes on two of the following topics (8 marks each)
- i. Health production function and the factors affecting to the shift of production function
  - ii. Population health and the factors affecting the improvement of population health
  - iii. Population health indicators of Sri Lanka within South Asia
  - iv. Economic cost of illness of an individual