**BOWEN UNIVERSITY, IWO**
**COLLEGE OF MANAGEMENT AND SOCIAL SCIENCES**
**ECONOMICS PROGRAM**
**B.Sc. DEGREE EXAMINATION   2022/2023 ACADEMIC SESSION**
**FIRST SEMESTER EXAMINATION**            **COURSE CODE: ECN 443**
**COURSE TITLE: HEALTH ECONOMICS**        **COURSE CREDIT: 2**
**TIME ALLOWED: 2HOURS 30 MINS**
*INSTRUCTION: ANSWER QUESTION 1 AND ANY OTHER TWO QUESTIONS*

1. Assume that a healthy individual earns N2, 000, 000 per year but only 850,000 when ill. If the individual has a subjective probability of being ill of 0.25.
    a.   What is the expected income of the individual without insurance     5 marks
    b.   Determine the actuarially fair premium or expected loss without insurance? Explain your answer.                                                      5 marks
    c.   Insurance companies generally charge loading fee in contract agreements. What is the essence of the loading fee and how will this affect the premium payment by the individual. 5 marks
    d.   Clearly distinguish between the loading fee and the actuarially fair premium in health insurance contracts.                                               5 marks
         The World Health Organization (WHO) recent rating for health care systems, placed Nigeria in the 187$^{th}$ position out of 190 countries?
    e.   Explain any 5 factors account for the poor performing health care system in Nigeria. 5 marks
    f.   Assuming you are the incoming special adviser to the Federal Government of Nigeria on health care matters. How would you address the problems identified in (e) above. Any 5 ways.                                                        5 marks
                                                                        **30 marks**

2. a. Grossman (2000) provides detailed explanation to health care as a consumption and producer good. Explain these possibilities in the ideology of Grossman.            4 marks
   b. . What 5 factors determine the demand for health insurance in any economy?   10 marks
   c. Explain any three types of health insurance plans in an economy               6 marks
                                                                        **20 marks**

3a. Distinguish between the demand and supply of health care in an economy.        4 marks
   b.  What 4 factors determine the supply of health care in Nigeria?              4 marks
   c.  Provide clear explanation to any three of the factors identified by Grover C. Wirick as determinants of the demand for health                                              6 marks
   d.  Distinguish between the terms adverse selection and moral hazard as agency problems in the health insurance industry                                                     6 marks
                                                                        **20 marks**

4. a. Provide explanations to the various types of health care system that exists in the global economy and mention two countries that operate the specific type in each case.      8 marks
   b. Which one of these system mainly applies to the Nigerian economy? Provide reasons for your answer.
                                                                        2 marks
   c. Explain any 5 factors that influence the health capital stock of individuals.   10 marks
                                                                        **20 marks**

5. The terms equity and efficiency are commonly applied in health economics as a discipline
   i. Provide clear distinction between both terminologies                         5 marks
   ii. Itemize and explain the various types of equity and efficiency in relation to health economics.10 marks
   iii. Distinguish between the terms equity and equality in relation to health economics.       5marks