



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF MANAGEMENT SCIENCES

DEPARTMENT OF ACCOUNTING, ECONOMICS AND FINANCE

QUALIFICATION: BACHELOR OF ECONOMICS	
QUALIFICATION CODE: 12BECO	LEVEL: 7
COURSE CODE: TEC711S/TEC411S	COURSE NAME: TRANSPORT ECONOMICS
SESSION: JULY 2019	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

SUPPLEMENTARY/ SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	EDEN TATE SHIPANGA
MODERATOR:	ANTHONY ADEYANJU

INSTRUCTIONS
1. Answer ALL the questions. 2. Write clearly and neatly. 3. Number the answers clearly.

PERMISSIBLE MATERIALS

1. PEN,
2. PENCIL
3. CALCULATOR

THIS QUESTION PAPER CONSISTS OF 2 PAGES (Including this front page)

QUESTION 1**[Total: 25]**

1. Transport plays a big role in economic development of the country. Presents five scenarios in which transport plays in the Namibian economy (15)
2. The demand for transport is said to follow "peaks and troughs". Discuss this statement and elaborate on its impact on the overall Namibian Economy. (10)

QUESTION 2**[Total: 25]**

1. The government of Namibia is contemplating as to whether it should upgrade the Hosea Kutako International Airport. The Minister of Works and Transport believe that doing so will increase trading activity between Namibia and other Countries. Use the supply led view of transport and demand view of transport to evaluate the Minister's proposal and advise the Honourable Minister. (13)
2. Traffic congestion has become a problem these days in the city of Windhoek, leading to lower speed, longer trip times and increased vehicular queuing. Advice the city of Windhoek on the ways and means to address traffic congestion in Windhoek. (12)

QUESTION 3**[Total: 25]**

Output	Total Fixed Cost	Total Variable Cost	Total Cost	Average Fixed Cost	Average Variable Cost	Average Total cost	Marginal Cost
0	30		30				-
1		30					
2			71				
3			79				
4		58					
5		70					
6		85					
7			135				
8			160				
9		160					
10		201					

1. Complete the above cost table of a bus service (0.20x60=12)
2. Price discrimination is defined as a pricing strategy that charges customers different prices for the same product or service.
 - a) State three conditions that must exist for price discrimination to take place (7)
 - b) Explain three types of price discrimination (6)

QUESTION 4**[Total: 25]**

With the aid of a diagram, explain why the monopolist transport operator is regarded as economic inefficient and presents the main arguments behind this kind of outcome.

-END-