



**NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY**

**FACULTY OF NATURAL RESOURCES AND SPATIAL SCIENCES**

**DEPARTMENT OF LAND AND PROPERTY SCIENCES**

<b>QUALIFICATION(S):</b> BACHELOR OF PROPERTY STUDIES DIPLOMA IN PROPERTY STUDIES	
<b>QUALIFICATION(S) CODE:</b> 08BPRS 06DPRS	<b>NQF LEVEL:</b> 6
<b>COURSE CODE:</b> LEM621S	<b>COURSE NAME:</b> LAND ECONOMICS
<b>EXAMS SESSION:</b> JANUARY 2020	<b>PAPER:</b> THEORY
<b>DURATION:</b> 3 HOURS	<b>MARKS:</b> 100

<b>SECOND OPPORTUNITY/SUPPLEMENTARY EXAMINATION QUESTION PAPER</b>	
<b>EXAMINER(S)</b>	UAURIKA KAHIREKE
<b>MODERATOR:</b>	SAMUEL ATO K. HAYFORD

<b>INSTRUCTIONS</b>	
<ol style="list-style-type: none"><li>1. Read the entire question paper before answering the Questions.</li><li>2. Please write clearly and legibly!</li><li>3. The question paper contains a total of <b>4 questions</b>.</li><li>4. You must answer <b><u>ALL QUESTIONS</u></b> .</li><li>5. Make sure your Student Number is on the EXAMINATION BOOK(S).</li></ol>	

**PERMISSIBLE MATERIALS**

1. Non-programmable Scientific Calculator

**THIS QUESTION PAPER CONSISTS OF 4 PAGES** (Including this front page and attached Appendix A)

**Question 1**

- a) Discuss the following significance of land as used in land economics.
- i) A consumption good; (4)
  - ii) Situation; and (4)
  - iii) Property (4)
- b) Specify the six (6) qualities of an ideal investment and indicate the extent to which property investment meets or doesn't meet these qualities. (13)
- [25]**
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**Question 2**

- a) Property tax revenue to support local authorities in developing countries is not fully tapped to their highest potential. Discuss any five (5) of the challenges thereof. (25)
- b) Explain the three (3) main modern canons of taxation (5)
- [30]**
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**Question 3**

- a) Attached as appendix A is a graph illustrating the effect of transportation cost on land rent producing capacity associated with the use of land at various locations from Otjo, the market. With the information provided answer questions i) to vi) below. (All figures are in N\$ per ton of products).
- i) At which location (town) does ('No rent margin') occur AND why? (2)
  - ii) Between which two towns signify profit making locations? (1)

- iii) How much is earned for land rent per ton for the use of land in Otavi? (1)
- iv) If operators of Otavi land are to enjoy any land rent, what is expected of them and by what amount (in your opinion) will lead to that. (3)
- v) Estimate the amount of land rent per ton associated with the use of Okapuka and Otjinene lands located at a distance of 15km and 25km respectively from the market. (4)
- vi) What is the amount of land rent associated with the 'optimal location' (1)
- vii) At the 'No rent margin' what is the total cost of transportation per ton? (1½)
- viii) At the 'No rent margin' what is the total cost of production per ton including transport to the market? (1½)

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#### Question 4

- a) Briefly account for any four (4) principles usually applied in evaluating land/property tax system. (6)
- b) The main Valuation Roll as provided under the Agricultural (Commercial) Land Reform Act of 1995, is not immune from errors; who may change the contents of the main valuation roll and state the purposes for which the main valuation roll may be changed? (5)
- c) A proper valuation activity for property tax administration requires that several preconditions are in place. Outline any of these preconditions? (5)
- d) One of the advantages of a Municipal Property Tax is a low compliance Costs. Outline what it involves and how this advantage benefits a taxpayer. (4)
- e) Mention the significance of Variable tax rate and briefly explain the grounds on which its application may be justified (10)

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**All the best of luck.**

APPENDIX A

Distance from the market

