



**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 BACHELOR OF LAND ADMINISTRATION	
<b>QUALIFICATION(S) CODE:</b> 08BPRS 06DPRS 07BLAD	<b>NQF LEVEL:</b> 6
<b>COURSE CODE:</b> UEN621S	<b>COURSE NAME:</b> URBAN ECONOMICS
<b>EXAMS SESSION:</b> NOVEMBER 2019	<b>PAPER:</b> THEORY
<b>DURATION:</b> 3 HOURS	<b>MARKS:</b> 100

<b>FIRST OPPORTUNITY EXAMINATION QUESTION PAPER</b>	
<b>EXAMINER(S)</b>	SAMUEL ATO K. HAYFORD
<b>MODERATOR:</b>	ELINA TEODOL

<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>5 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 6 PAGES (Including this front page)**

**Question 1**

For each of the following statements indicate whether it is 'TRUE' or 'FALSE'. Each correct answer carries 1 mark. (20)

- a) Urbanization is not merely a modern phenomenon, but a rapid and historic transformation of human social roots whereby predominantly rural culture is being rapidly replaced by predominantly urban culture. Rural culture is characterized by common bloodlines and intimate relationships, whereas urban culture is characterized by unfamiliar relations, and competitive behavior.
- b) Under the Supply based model of urban growth an efficient supply side policies on its own is not enough to achieve sustained growth of the urban economy.
- c) Primary economic activity is scarcely used as a criterion for defining an area as an urban area.
- d) Natural increase is the major cause of rapid rate of urbanization in developing countries.
- e) If the in-migrants of a particular urban area are predominantly of one sex the accompanying rate of natural increase for urban growth is likely to be higher.
- f) Footloose industry is a general term for an industry that can be placed and located at any location without effect from factors such as resources or transport.
- g) An area is declared an 'urban area' by a formal and authoritative order, especially one having the force of law after taking into consideration the population, need for proper planning of the area and other relevant factors.
- h) For shops, accessibility to as many customers as possible is paramount and the revenue earning capacity of ground floor locations in the Central business District(CBD) enables them to outbid other users.

- i) Transfer costs reductions are associated with material-oriented firms and industries.
- j) Growth in size of a city can eventually give rise to urban diseconomies due to higher transport costs.
- k) In developing countries the majority of the households depend on the public rental housing accommodation.
- l) Incidence of respiratory diseases, carbon dioxide emission (Green House) and public safety are characteristics normally associated with urban diseconomies.
- m) Non-basic sector otherwise referred to as Service sector produces goods and services for export and not for domestic consumption. Its growth is therefore independent on the basic sector.
- n) Urban land use is determined by various decisions made by only firms and household without the participation of the government.
- o) Under the supply base model of urban growth, supply side policies focus on product market for production and consumption of goods and services and labour (factor) market where labour is bought and sold.
- p) By the employment approach of urban growth model, the overall additional population to an urban area due to a given increase in employment in the basic sector is the result of a consequential increase in non-basic employment and an overall increase in non-working population.
- q) Land Rent represents the economic return in the form of gross return that goes to real estate resources for their use in production.
- r) Von Thunen's theory of land rent attributes emergence of rent to differences in fertility of various pieces of agricultural land in a country of scarce fertile lands.



- s) The higher the payment for factors owned but hired outside a particular urban area, the higher the addition to money inflow, economic activities and employment in that urban area (all other things remaining the same).
- t) Large central places cater for services of a higher order but will also embrace a number of central places producing equally highly specialised goods and services.

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**Question 2**

- a) Mention the two (2) advantages of the hexagonal complementary regions (market areas) over the circular centres. (2)
- b) State the two (2) main problem encountered by Christaller's assumed circular arrangement of market areas and how he overcame the problem. (2)
- c) The population inhabiting the isotropic surface as assumed under Walter Christaller's central place theory require goods and services like groceries, clothing, furniture, access to service of a doctor.
- i) Identify and state the meaning of the two (2) characteristics of these goods and services. (4)
- ii) Using the two (2) characteristics of these goods and services identified above account for the size, number and distribution of central places and its application to Hierarchy in Physical Development Plan. (18)
- d) Suppose demand for basic goods and services by Onamupalilo and Onipa generate N\$450 million into Windhoek city. Residents of Windhoek are accustomed to an expenditure pattern of income such that 8% is saved, 15% is spent on taxes and 25% is spent on imports.

With this information you are required to calculate the following:

- i) Amount of Leakage (1)
- ii) The magnitude (size) of Urban Multiplier for Windhoek city (2)
- iii) The percentage of Marginal Propensity to Consume (MPC) domestically produced goods and services. (1)
- iv) The total income generated in the process until the initial income of N\$450 million is exhausted. (1)

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### Question 3

- a) Namibia's Population and Housing Census data released in the year 2011 indicated the following ranking on the basis of the population figures recorded.

1 <sup>st</sup> City	-	Windhoek	-	233,529
2 <sup>nd</sup> City	-	Walvis Bay	-	43,611
3 <sup>rd</sup> City	-	Rundu	-	36,964
4 <sup>th</sup> City	-	Oshakati	-	28,255

- i) Using the *Rank size rule* determine the primacy status between Windhoek and Oshakati. (2)
  - ii) Determine the *Primacy index* between Windhoek and Walvis Bay. (2)
  - iii) What conclusion can be drawn from your answers obtained in (i and ii) above? (1)
  - iv) Highlight reasons that responsible to this situation (2)
- b) Primate cities are favoured because of the advantages or benefits they have over other urban centres. State the main advantage and briefly account for the three (3) types into which they are broadly categorized. (7)

**[14]**

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**Question 4**

- a) Land market - is simply the arrangement by which buyers and sellers of real estate including houses are brought together to determine a price at which the particular land (property) can be exchanged. Briefly account for the determinants of price at which housing is exchanged on the market (13)
- b) With examples, enumerate the three (3) types of Public housing. (3)

**[16]**

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**Question 5**

- a) Urban Infrastructure appears to be the main driver and perhaps the most influential component of the urban economy that stimulates the growth of urban areas. Briefly explain. (10)
- b) Enumerate any six (6) indicators of urban poverty. (3)
- c) Enumerate the three main characteristics of the labour force in Africa? (3)
- d) Distinguish between the two forms of labour mobility (3)

**[19]**

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**All the best of luck.**