



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

Faculty of Natural Resources and Spatial Sciences

Department of Land and Property Sciences

QUALIFICATION(S): Bachelor of Property Studies Honours Bachelor of Property Studies Diploma in Property Studies Bachelor of Land Administration	QUALIFICATION(S) CODE: 27BPRS 08BPRS 06DPRS 07BLAD
COURSE NAME: Urban Economics	COURSE CODE: UEN621S
EXAMS SESSION/DATE: January 2019	NQF LEVEL: 6
DURATION: 3 Hours	MARKS: 100

SECOND OPPORTUNITY / SUPPLEMENTARY EXAMINATION QUESTION PAPER	
EXAMINER(S)	Mr. S.A.K. Hayford
MODERATOR:	Mrs. E. Teodol

THIS QUESTION PAPER CONSISTS OF 5 PAGES
(Including this front page)

INSTRUCTIONS

1. Read the entire question paper before answering the Questions.
2. Please write clearly and legibly!
3. The question paper contains a total of **5 questions**.
4. You must answer **ALL QUESTIONS**.
5. Make sure your Student Number is on the EXAMINATION BOOK(s).

PERMISSIBLE MATERIALS

6. Use of non-programmable scientific calculator is permitted.

Question 1

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

- a) 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.
- b) By central place theory, demand for goods and services by persons living outside that area is determined by the cost of production plus the cost of transport in that area.
- c) 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.
- d) The rise of primate cities in most developing world has little to do with unprecedented high rate of rural urban migration.
- e) 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.
- f) In the real property market, what is actually dealt with and transferred is the 'property right' often referred to as 'interests'.
- g) Larger firms have a cost advantage over their competitors. Not only does a larger plant gain from economies of scale, it will also produce more. Companies often use this advantage as a competitive strategy by first building a large plant with substantial economies of scale, and then using its lower costs to price aggressively and increase sales volume.
- h) Shortage of space restricts urban growth because lateral as well as vertical growths are impossible in the short term.

- i) Town planning regulations especially greenbelts policy encourages vertical growth of urban area and protect agricultural lands from new developments by law.
- j) According to von Thünen's Least-cost location theory as applied to agricultural land use, transportation costs are so important that it significant effects on (land) rent paying ability and the quantity of products can be sold profitably.
- k) Given any location, different competing land uses have the same rent paying abilities.
- l) Rent payment ability of a land use is significantly influenced by the rent producing capacity that will accrue from the use of that land.
- m) Depending on accessibility character of a parcel of land, market forces of demand and supply will set the price/rent to be paid by competing users of land.
- n) Supply of land in the Central Business District is usually perfectly elastic and for that reason level of rents and prices normally associated with central location use of land
- o) Profit-making land use is usually associated with such uses that produce monetary benefits that cannot be quantified to the users of land.
- p) Land values determine land uses.
- q) Greatest accessibility gives rise to high competition for central sites hence high rents and land prices and values.
- r) In the concentric zone model, though the low income residence (home of working men) are close to the central business district (CBD) where rental are very high, low income residential dominate because of their sheer numbers which also reflects in the number of old dwellings.
- s) In the sector zone model of urban land use patterns, all land uses take the form of sectors of compatible uses located near to each other.

- t) Rent control policy is noted for specifying the maximum amount that can be charged for rent as well as offering security of tenure to tenants.

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Question 2

- a) Briefly account for any two (2) housing problems in developing countries? (4)
- b) Identify and explain both urban and rural based employment policies. (16)

[20]

Question 3

- a) What do you understand by the term '*Urban Primacy*' (1)
- b) 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)
- c) Enumerate any six (6) indicators of urban poverty. (3)
- d) Enumerate the three main characteristics of the labour force in Africa? (3)
- e) Distinguish between the two forms of labour mobility (3)

[20]

Question 4

"The extent of the resulting urban growth will depend upon the proportion of the additional income which is spent on internally produced goods" Given the Marginal Propensities to Consume (MPC) local goods of 35% and 84% for Otavi and Betsheba cities respectively;

- a) Calculate the Urban Multiplier (UM) for the respective cities (2)
- b) With a simple example, explain their meaning and implication regarding the growth of the two cities. (18)

[20]

Question 5

- a) State the difference between the following terms;
- i) Betterment and Worsenment. (2)
 - ii) Public Goods and Merit Goods (3)
- b) Briefly account for the two (2) circumstances (in each case) under which *Betterment* and *Worsenment* may arise. (8)
- c) Enumerate the four (4) argument in favour of Grants from central government as a source of local government finance. (4)
- d) Highlight the three (3) advantages and disadvantages of User charges as a source of local government finance. (3)

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All the best of luck.