



**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 DIPLOMA IN PROPERTY STUDIES BACHELOR OF LAND ADMINISTRATION	
QUALIFICATION(S) CODE: 08BPRS 06DPRS 07BLAD	NQF LEVEL: 6
COURSE CODE: UEN621S	COURSE NAME: URBAN ECONOMICS
EXAMS SESSION: JANUARY 2020	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY/SUPPLEMENTARY EXAMINATION QUESTION PAPER	
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<p style="text-align: center;">INSTRUCTIONS</p> <ol style="list-style-type: none">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 <u>ALL QUESTIONS</u> .5. Make sure your Student Number is on the EXAMINATION BOOK(S).
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PERMISSIBLE MATERIALS

1. Non-programmable Scientific Calculator

THIS QUESTION PAPER CONSISTS OF 7 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) Green belts simply confine urban sprawl yet leave in its trail easy access to urban land for housing the overspill population
- b) By implication, birth and death rate can be considered as a factor influencing the growth of an urban area.
- c) For the mere fact that there is rapid increase in and rising levels of population in Windhoek certainly means that Windhoek is Over-urbanised.
- d) Though population growth, Economic growth or both influence the physical growth of a town/city. Urbanization economies can conveniently be considered as the dominant factor responsible for physical urban growth.
- e) Profit-making land uses are those uses that produce monetary benefits to the users of land resources for economic activities.
- f) Economies of scale are the main advantage of increasing the scale of production. It arises when the total cost of production falls as output is decreased.
- g) Under Income model of urban growth, a mere increase in consumption of goods as a result of increased inflow of income is an indication of a positive growth of an urban area.
- h) By the employment approach of urban growth model, the overall additional population of an urban area due to a given increase in employment in the basic sector is the result of a consequential increase in population exclusively in non-basic employment.

- i) In summary people are forced to migrate to urban centres because of a crisis situation, be it political disaster, natural disaster or some economic disaster.
- j) Savings, taxes and expenditure on import constitute a drain on total money inflow because they stimulate economic activity and employment elsewhere.
- k) 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 particular urban area if the income is spent on locally produced goods.
- l) Central place theory produces a listing of hierarchy of urban areas, with perhaps only one falling into the highest category with the numbers in each order increasing as we proceed down through each successive lower order centre.
- m) Order centres in central place theory according to Christaller's range from the largest number of the largest urban areas to the smallest number of the smallest ones.
- n) In the short term housing supply is highly elastic. It can be increased fast because of high costs of construction and high costs of land.
- o) By both central place theory and the economic (export)-base model, growth of an urban area is exogenously determined i.e. depends on external demand.
- p) Whereas in economic-base models demand for the city's exports comes from a wider geographical area, in central place theory, demand for the city's goods and services is determined by its hinterland population.
- q) 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.

- r) By central place theory the ability of a centre to supply outsiders (its hinterland) with goods and services as a result of reduced cost of production is constrained by cost of transportation.
- s) Land values tend to decline with increasing distance from the city centre.
- t) Land in the CBD is intensively used and this is the reason for higher land values. The intensity of land use therefore further increases more and more as one moves from the city centre to the periphery.

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Question 2

- a) By the employment approach of economic (export) based model of urban growth, the growth of an urban area depends on the basic sector employment. Explain. (6)
- b) Agglomeration economies arise due to factors which induce firms/industries to locate on particular sites - hence localization economies and urbanization economies.
- i) State the main benefit of agglomeration economies to firms and industries. (1)
- ii) Enumerate any five (5) of the factors giving rise to the main benefit of agglomeration economies to firms and industries. (5)
- c) Describe any two (2) land use patterns (urban forms) that characterized Pre-industrial towns. (3)

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Question 3

- a) Briefly explain three (3) criteria by which urban growth can be measured and where appropriate indicating the shortcomings. (9)
- b) Distinguish between the following as used in urban economics.
- i) Internal economies of scale and External economies of scale (3)
 - ii) Urbanisation and over-urbanisation (3)
- c) Namibia's Population and housing Census data released in the year 2002 indicated the following ranking on the basis of the population figures recorded

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

Determine urban primacy status between;

- i) Windhoek and Rundu by using the *Rank size rule* (1½)
 - ii) Windhoek and Oshakati by using the *Primacy index* between. (1½)
- d) What conclusion can be drawn from your answers obtained in (i and ii) above? (1)
- e) Mention and explain any two (2) broad categories of Agglomeration economies that serve as advantages of Primate Cities. (3)

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Question 4

- a) "Usually profitability and utility are key to land use location decisions in urban areas". Briefly elaborate on this with respect to land use location decisions affecting Offices and Manufacturing industry. (9)
- b) What is meant by "Land Market?" (1)
- c) In a free market economy the market price at which housing is exchanged is the equilibrium price. Briefly explain any three (3) of the determinants (factors) of demand for and two (2) factor for supply of housing? (5)

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Question 5

- a) Briefly distinguish between any three (3) of the following as used in the economics of urbanization;
- i) Spread Effect and Backwash Effect (3)
 - ii) Urbanization and Urban growth (3)
 - iii) Leakages and Injections (3)
 - iv) Basic employment and Non-basic employment (3)
- b) Mama's Classic Rice and Neuro-surgeon are among the goods and services required by population in the isotropic plain of Christaller's Central Place Theory.
- i) Identify and the two important characteristics of these goods and services and distinguish between them. (2)
 - ii) Briefly explain the characteristics of Mama's Classic Rice and Neuro-surgeon and indicate the type of centres they are likely to be found. (6)

- c) State four (4) assumptions of the Christaller's theory of Central Place and the corresponding criticism levelled against them. (8)

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All the best of luck.