



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF MANAGEMENT SCIENCES

DEPARTMENT OF MARKETING AND LOGISTICS

QUALIFICATION: BACHELOR OF TRANSPORT MANAGEMENT BACHELOR OF LOGISTICS & SUPPLY CHAIN MANAGEMENT	
QUALIFICATION CODE: 07BTMM 07BLSC	LEVEL: 5
COURSE CODE: PTE511S	COURSE NAME: PRINCIPLES OF TRANSPORT ECONOMICS
SESSION: JUNE 2019	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	Ms. Ester Kalipi (FM) Mr. Heikky Amwele (PM) Ms. Hilma Nuuyandja (DI)
MODERATOR:	Ms. Emilia Salomo

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

THIS QUESTION PAPER CONSISTS OF 3 PAGES (Including this front page)

QUESTION 1

1.1 Differentiate between Microeconomics & Macroeconomics and also give three examples of each? (10 marks)

1.2 State whether you agree or disagree with the following statements, and justify your answer? (10 marks)

- I. Transport Economics play a major role in Supply Chain Management.
- II. Financing is not relevant to Transport Economics.

Sub-total: 20 Marks

QUESTION 2

2.1. Fill in the missing words in the sentence below. (10 marks)

- a) The _____ explains the relationship between the price of a good or services and the quantity demanded.
- b) If we demand something (in the economic sense), it means you intend to buy it and that you have the _____ to do so.
- c) _____ is simply a state at which market supply and demand balance each other and as a results, price becomes stable.
- d) When the price is below equilibrium, quantity demanded exceeds quantity supplied, this is called _____.
- e) _____ is the reaction of the quantity demanded or supplied in the transport market to a change in the price of transport service.

2.2. Consider the following scenarios on the price and quantity traded in the transport market. For each of the scenario, you should identify what side of the market, demand or supply, is being affected, which particular determinant has changed and you should explain your reasons of arriving at your answer?

Your explanation must include a graphical presentation of each scenario.

- a) An increase in fuel duty (price) on the market for road haulage services. (10 marks)
- b) A fall in the costs of production of bus services on the market for rail services. (10 marks)

Sub-total: 30 Marks

QUESTION 3

3.1. Which mode (s) of transport will be the most appropriate to transport the following products? Justify your answer? (20 marks)

- a) Sand from Walvis Bay to Windhoek.
- b) Clothes (20ft container) from China to Namibia (Oshakati).

c) Beef meat from Windhoek to Johannesburg.

d) Diamonds from Windhoek to United States of America.

3.2. Discuss the loss associated with traffic congestion and suggest ways in which traffic congestion can be solved? (16 marks)

Sub-total: 36 Marks

QUESTION 4

4.1. Government intervention may seek to correct the distortions created by market failure and also to improve the efficiency in the way markets operates. Give six examples of these interventions? (6 marks)

4.2. Why is transport subsidies important? Give an example of transportation services subsidized in Namibia? (8 marks)

Sub-total: 14 Marks

Grand Total: 100 Marks