



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

Faculty of Natural Resources and Spatial Sciences

Department of Land and Property Sciences

QUALIFICATION(S): Diploma in Property Studies Bachelor of Property Studies	QUALIFICATION(S) CODE: 06DPRS 08BPRS
COURSE NAME: Land Economics	COURSE CODE: LEM621S
EXAMS SESSION/DATE: January 2019	NQF LEVEL: 6
DURATION: 3 Hours	MARKS: 100

SECOND OPPORTUNITY/SUPPLEMENTARY EXAM QUESTION PAPER	
EXAMINER(S)	Mr V. Kangotue
MODERATOR:	Mr. S. Hayford

THIS QUESTION PAPER CONSISTS OF 3 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 4 questions.
4. You must answer all 4 questions
5. Make sure your Student Number is on the EXAMINATION BOOK(s).

PERMISSIBLE MATERIALS

Use of non-programmable calculator is permitted.

Question 1

- a) In your own words discuss the following methods of assessment of land taxes: (15)
- i) Depreciated replacement cost method of valuation
 - ii) Site value taxation
 - iii) Rental value assessment
 - iv) Unit value assessment
- b) On the 3rd March 1995 the Government of Namibia gazetted Act No.6, of 1995 called Agricultural (Commercial) Land Reform Act of 1995 with the intention of reducing multiple farm ownership, discouraging absenteeism farm ownership and increasing farm ownership by Namibian citizens. With the above background outline, any three (3) aims of the Agricultural (Commercial) Land Reform Act of 1995 and any four (4) means by which the government planned to meet these objectives. (10)
- c) Which properties may be exempt from paying land taxes under the Agricultural (Commercial) Land Reforms Act of 1995? (5)

[30]

Question 2

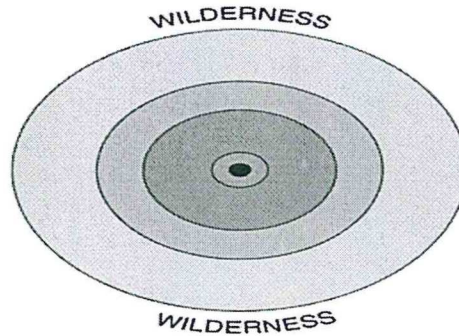
- a) Property tax revenue to support local authorities in developing countries is not fully tapped to their highest potential. Discuss the challenges thereof. (25)
- b) Enumerate the three (3) main modern canons of taxation. (5)

[30]

Question 3

Early in the 19th century **Johann Heinrich Von Thünen** (1783-1850) developed a **model** of land use which showed how market processes could determine how land in different locations would be used and how land rent would accrue to each land. With this background and figure 1 below answer questions a), b), c) and d).

Figure 1



- a) Based on this Model what was Von Thunen's Assumptions? (6)
- b) What was Von Thunen's Rules or method of land rent calculation? (4)
- c) List all the four rings of Von Thunen's model (4)
- d) Why would this model not be applicable today? (1)

[15]

Question 4

- a) A close friend is confronted with the challenge of choosing between investments in properties and other forms of investment vehicles. He approaches you for advice in order for him to make an informed investment decisions. What would your advice be on the shortcomings of property as a form of investment compared to other forms of investment? (16)
- b) Describe the following two major components of land use capacity.
- i) Accessibility (5)
- ii) Resource quality (4)

[25]

***** END OF EXAM *****