



**NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY**

**FACULTY OF ENGINEERING AND THE BUILT ENVIRONMENT**

**DEPARTMENT OF LAND AND SPATIAL SCIENCES**

<b>QUALIFICATION(S):</b> BACHELOR OF PROPERTY STUDIES DIPLOMA IN PROPERTY STUDIES	
<b>QUALIFICATION(S) CODE:</b> 08BOPS 06DIPS	<b>NQF LEVEL:</b> 6
<b>COURSE CODE:</b> EUR612S	<b>COURSE NAME:</b> ELEMENTS OF URBAN AND RURAL ECONOMICS
<b>EXAMS SESSION:</b> JANUARY 2025	<b>PAPER:</b> THEORY
<b>DURATION:</b> 3 HOURS	<b>MARKS:</b> 100

<b>SECOND OPPORTUNITY/SUPPLEMENTARY EXAMINATION QUESTION PAPER</b>	
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<b>MODERATOR:</b>	MRS 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) The principal weakness of the Keynesian approach to urban growth is the lack of statistical data available at a local level.
- b) Profit-making land uses are those uses that produce monetary benefits to the users of land resources in an economic activity.
- c) By central place theory it is likely that "Besides Windhoek there can be no other Windhoek in Namibia".
- d) Open spaces especially cemeteries are usually created and maintained for profit making purpose.
- e) Under Income model of urban growth, a mere increase in consumption as a result of increased inflow of income is an indication of a positive growth of an urban area.
- f) 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 non-basic employment and an overall increase in non-working population.
- g) Green belts though simply confine urban sprawl yet leave in its trail the problem of housing the overspill population
- h) Per capita income is a preferred measure of urban growth because a rise in individual income means an increase in welfare, as the income may be equitably distributed among all people.

- i) For the mere fact that there is rapid increase in and rising levels of population in Windhoek certainly means that Windhoek is Over-urbanised.
- j) Though population growth, Economic growth or both influence the physical growth of a town/city, economic growth can conveniently be considered as the dominant factor responsible for physical urban growth.
- k) 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.
- l) Savings, taxes and expenditure on import constitute a drain on total money inflow because they stimulate economic activity and employment in the subject urban area.
- m) An urban area may be defined exclusively by using demographic and economic criteria.
- n) 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.
- o) Non-basic sector otherwise referred to as Service sector produces goods and services for domestic consumption. Its growth is therefore independent on the basic sector.
- p) Basic sector industries refer to those industries in the urban economy which produce goods and services for external demand brings income to the urban economy and thus creates employment and stimulate urban growth.
- q) In the short-term housing supply is highly elastic. It cannot be increased fast because of high costs of construction and high costs of land.
- r) In determining the short-term price/rent level at which urban land is exchanged in the property market, supply forces play a more dominant role than demand factors.

- s) 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.
- t) According to Button (1976) "an urban area refers to spatial concentration of people within an interrelated network of economic markets situated in a limited spatial area".

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### Question 2

- a) i) Apart from payment for the use of externally owned factors of production, mention the three (3) items that constitute leakages in the calculation of Net income of an urban area according to the Keynesian approach to urban growth. (3)
- ii) Suppose an 'injections' generates money inflow amounting to N\$80,000,000.00 (eighty million Namibian dollars) to be spent in the Swakopmund urban area, calculate the next three net income generated in the urban economy if you assume 10%, 12% and 18% respectively for the three items of leakages mentioned in question a) i). (6)
- iii) What is the total income generation if the successive rounds are added up? (2)
- b) Given that the Marginal propensity to consume internally/locally produced goods in the Swakopmund economy is 80%, what will be the Urban multiplier? (2)
- c) Suppose an 'injection' generates money inflow amounting to N\$55,000,000.00, using the urban multiplier in c), find the total income to be generated (size of growth). (2)
- d) Briefly explain the main constraints to urban growth. (5)

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**Question 3**

- a) 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 <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

Using the Rank size rule determine;

- i) the primacy status between Windhoek and Walvis Bay. (3)
  - ii) the Primacy index between Windhoek and Oshakati. (3)
  - iii) What conclusion can be drawn from your answers obtained in (i and ii) above? (2)
  - iv) Give one (1) reason that might have contributed to the primacy situations in (i and ii). (3)
- b) What is meant by Urban Poverty? (2)
- c) Enumerate any six (6) indicators of urban poverty. (6)

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**Question 4**

Identify and explain both urban and rural based employment policies. (16)

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**Question 5**

Understanding the pivotal role cities play in shaping rural economies through market access and consumption patterns helps to grasp how urban and rural areas are interconnected and how changes in one can significantly impact the other. Briefly account for the benefits of this urban-rural interaction in the following areas.

a) Market Access (16)

b) Economic Opportunities (9)

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