



**PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCE AND EDUCATION

DEPARTMENT OF MARKETING AND LOGISTICS

QUALIFICATION: BACHELOR OF TRANSPORT MANAGEMENT	
QUALIFICATION CODE: 07BTRA	LEVEL: 5
COURSE CODE: TTE511S	COURSE NAME: TRANSPORT ECONOMICS
SESSION: JUNE 2022	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	Mr. Mike Nganjone Mr. Mukela Mabakeng Ms. Hilma Nuuyandja
MODERATOR:	Mr. Jacinto Silva

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

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

QUESTION 1

Multiple choice questions

[2x10 Marks]

1. The scarcity of resources problem necessarily requires
 - a) Government to create employment opportunity
 - b) People to make choices
 - c) People to reduce their living standards
 - d) None of the above
2. Is a management approach that involves developing strategies to improve methods of addressing transport problems of the poor and protect them against adverse changes in transport policies?
 - a) Economic sustainability
 - b) Ethical decision making
 - c) Social responsibility
 - d) Environmental sustainability
3. For cars, "social costs" include all of the following except which one?
 - a) Traffic accidents
 - b) Traffic congestion
 - c) Congestion tolls
 - d) Air pollution
4. Which of the following is NOT an argument in favour of regulating the transport industry?
 - a) Presents of negative externalities
 - b) Economic recession
 - c) Provision of higher cost Infrastructure
 - d) Monopoly power
5. Privatization refers to:
 - a) The change in the management style of a firm from a public to a private company.
 - b) The ownership of shares in private companies.
 - c) The movement of private capital from one country to another.

- d) The transfer of assets or different forms of economic activity from the public to the private sector.
6. Which two of the following reasons are often used to support a policy to privatise certain industries?
1. Firms exposed to market forces are likely to be more efficient
 2. Firms insulated from market forces are likely to be more efficient
 3. Firms can more easily take into account any negative externalities in their decision making
 4. The stock market can exert a useful discipline on the firm, with less successful firms being more likely to be taken over by more successful ones
 5. The public finances are likely to deteriorate
- a) 1 and 4
 - b) 3 and 4
 - c) 1 and 3
 - d) 2 and 3
7. Which one of the following best describes the integration equation for passenger transport as identified by the English Tourism Councils?
- a) Integration + Interchange + Information = Investment
 - b) Interchange + Integration + Information = Investment
 - c) Information + Interchange + Investment = Integration
 - d) Investment + Integration + Interchange = Information
8. A distinctive feature of monopolistically competitive markets is
- (a) Product differentiation
 - (b) Homogeneous products
 - (c) Existence of a few buyers
 - (d) Existence of a few buyers and sellers
9. The price elasticity of demand measures the:
- a) Responsiveness of a good's price to a change in quantity demanded
 - b) Adaptability of suppliers when a change in demand alters the price of a good

- c) Responsiveness of quantity demanded to a change in a good's price
- d) Responsiveness of quantity supplied to a change in quantity demanded

10. Which of the following is a form of government intervention?

- a) Regulation
- b) Natural monopoly
- c) Public goods
- d) Externalities

Sub-total: 20 marks

QUESTION 2

[2x5 Marks]

True or False questions:

1. Transport economics is a study of the allocation of and movement of resources (scars) in order to meet the needs and wants of government.
2. A fall in the price of a substitute good will cause an inward shift in the demand for a product.
3. When the current market price is above the equilibrium price, there will tend to be excess supply.
4. The law of supply explains the relationship between the price of a product and the quantity supplied.
5. Excess supply occurs when the price rises bellow the equilibrium price, quantity demanded will decrease while quantity supplied will increase.

Sub-total: 10 marks

QUESTION 3

- 3.1 Transport is said to be the main pillar of economic development. Name and discuss any five (5) roles of transport in the Namibian Economy. Give practical example to support your answers? (10 marks)
- 3.2 Using a diagram, explain the impacts of subsidies paid to transport providers, such as bus operators? (10 marks)
- 3.3 Explain five possible factors which may account for the increasing supply of road transport service in Namibia? (10 marks)

- 3.4 With the use of examples, explain the difference between fixed and variable transport related costs? (10 marks)

Sub-total: 40 marks

QUESTION 4

- 4.1 Mr Hilton is a Namibian entrepreneur and the owner of Vashi Investment CC. He imports cars from Japan and resells them at a low cost in Namibia. Provide him with advice on the best modes of transportation he can use to get the cars from Japan to Namibia and discuss the strength and limitation of each chosen modes of transport? (10 marks)

- 4.2 Consider the following statement:

“Any transport development programme adopted by a country is considered sustainable only if the said programme has meet the three dimensions of sustainable development.

Name and discuss the three dimensions of sustainable transport system. (10 marks)

- 4.3 It is a common practice for institutions in private and public sector to work together in transport related projects. Discuss any five (5) benefits of Public Private Partnership (PPP)? (10 marks)

Sub-total: 30 marks

Grand Total: 100 marks

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