



**NAMIBIA 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: 7
COURSE CODE: ATE711S	COURSE NAME: ADVANCE TRANSPORT ECONOMICS
SESSION: JULY 2022	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

SUPPLEMENTARY / SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	Dr. Smart Dumba Mr. Mukela Mabakeng Ms. Hilma Nuuyandja
MODERATOR:	Mr Sem Tangeni Kalumbu

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

[1x10 Marks]

Answer the following five questions either 'True' or 'False'.

- a) Travelers with low values of time will likely choose to take the tolled route. FALSE
- b) Providing improved travel time and travel time reliability is generally among the largest societal benefits from transportation infrastructure projects. TRUE
- c) Only if transport is evaluated in terms of access can strategies that reduce the need for travel, such as telework and more efficient land use, be considered as solutions to transport problems. TRUE
- d) Marginal costs will start to fall before average costs start to fall. TRUE
- e) Fuel costs, accident costs, congestion costs and climate change costs are all examples of external costs FALSE
- f) Transport economics is a field of study aimed at minimising social welfare FALSE
- g) Social welfare is maximised where the Marginal Social Cost curve meets the Marginal Social Benefit curve TRUE
- h) Transport economics feeds into transport policy and vice versa TRUE
- i) Equipment, buildings and land which are fixed cost, but can be sold and their value partly recovered are sunk costs. TRUE
- j) Transport is a public utility in the sense that it is vital to the overall public interest. TRUE

Sub-total: [10 Marks]

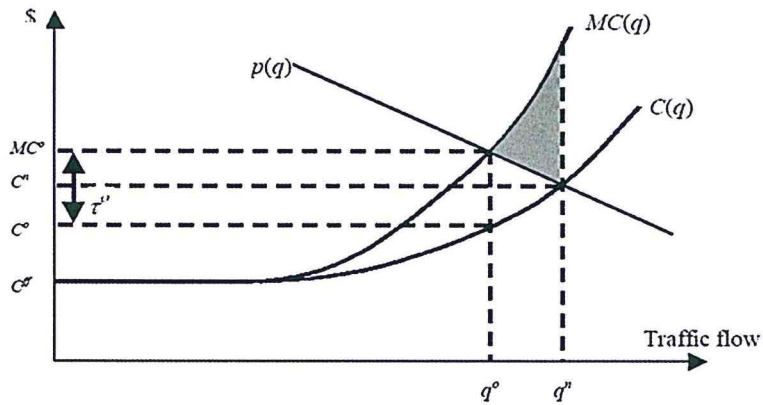
QUESTION 2

2.1 Explain the following terms as they apply to transport economics

- a) Marginal Social Costs, (MSB) (3 marks)
- b) Marginal Social Benefit, (MSB) (3 marks)
- c) Marginal Private Costs, (MPC) (3 marks)
- d) Utility (3 marks)

2.2 Why is road congestion seen as an external cost/negative externality in transport? (10 marks)

2.3 Describe and explain the following graph as it relates to road pricing? (12 marks)



- 2.4 Based on examples, explain what is price discrimination (6 marks)
- 2.5 Examine the conditions necessary for price discrimination (10 marks)

Sub-total: 50 Marks

QUESTION 3

- 3.1 Discuss any five reasons why state-owned entities, in most cases, fail? (10 marks)
- 3.2 Distinguish between Benefit-Cost Analysis and cost-effective analysis and their application in the evaluation of transport project and policy? (10 marks)
- 3.3 What is the Output-Input (I/O) model and what are the limitations of applying this Models in transportation? (10 marks)
- 3.4 Explain the importance of transportation network to regional integration. (10 marks)

Sub-total: [40 Marks]

Grand Total: 100 marks

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