



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF ENGINEERING AND THE BUILT ENVIRONMENT

DEPARTMENT OF LAND AND SPATIAL SCIENCES

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

SECOND OPPORTUNITY/SUPPLEMENTARY EXAMINATION QUESTION PAPER	
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INSTRUCTIONS	
<ol style="list-style-type: none">1. Read the entire question paper before answering the Questions.2. Please write clearly and legibly!3. Please START EACH QUESTION ON A FRESH PAGE.4. The question paper contains a total of 5 QUESTIONS.5. You must answer <u>ALL QUESTIONS.</u>6. Make sure your Student Number is on the EXAMINATION BOOK(S).	

PERMISSIBLE MATERIALS

1. Non-programmable Scientific Calculator

THIS QUESTION PAPER CONSISTS OF 8 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.

- 1.1 The employment approach to urban growth assumes that the spatial distribution of jobs influences residential location decisions through commuting cost minimization.
- 1.2 In urban growth models emphasizing employment, the presence of labor market pooling externalities reduces overall urban productivity.
- 1.3 Employment diversity within urban centers leads to greater economic resilience and sustainable long-term urban growth.
- 1.4 According to the employment approach, the agglomeration of similar industries in a city results in negative externalities that discourage further urban expansion.
- 1.5 The employment approach integrates both formal and informal sector dynamics to explain patterns of urban growth in developing countries.
- 1.6 The income approach to urban growth assumes that increases in aggregate income directly stimulate the demand for urban land and housing, leading to city expansion.
- 1.7 According to the income approach, a rise in urban household incomes has no significant impact on the spatial distribution of urban growth.
- 1.8 The income approach incorporates the Keynesian multiplier effect, where changes in income induce magnified changes in overall economic activity and urban development.
- 1.9 A central tenet of the income approach is that income distribution inequality within urban areas does not affect urban growth patterns.
- 1.10 The urbanisation process typically involves a sequential movement of population from rural to urban areas, leading to increased urban population concentration and city growth.

- 1.11 Suburbanisation represents a phase in the urbanisation process where population growth in the core urban area outpaces that of surrounding peripheral zones.
- 1.12 Urban growth modeled through the income approach considers how income growth influences public and private investments in infrastructure and services.
- 1.13 The range of a good or service in Central Place Theory refers to the maximum distance consumers are willing to travel to acquire it, influencing urban spatial structure.
- 1.14 The model suggests there is no competition between central places and that each functions independently without influence from nearby centres.
- 1.15 Higher gross capital outflows from a country are linked to increased urban primacy through the concentration of income and financial resources in the primate city.
- 1.16 Access to capital and financial services in primate cities creates feedback loops that reinforce income concentration and urban dominance.
- 1.17 Urban primacy driven by income differentials tends to be more pronounced in countries where the primate city serves critical functions such as a seaport or financial hub.
- 1.18 Urban housing policies that ignore affordable housing needs typically exacerbate social segregation and informal settlement growth.
- 1.19 The spatial configuration and community-oriented design of quadrangles and courtyard housing promote social interaction and improve quality of life in dense urban neighborhoods.
- 1.20 The rates of natural increase and migration into cities are the sole drivers of urban population growth during the urbanisation process.

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Question 2

Cities significantly influence rural economies by providing market access, shaping consumption patterns, and driving marketing activities. Recognizing these interactions is essential to understand the interconnectedness between urban and rural areas and how developments in one can profoundly affect the other.

2.1 Briefly account for how this influences Rural Urban linkages in the following areas.

2.1.1 Economic Integration (8)

2.1.2 Migration (8)

2.2 Briefly explain any two (2) challenges associated with each of the above areas of rural urban linkages. (8)

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Question 3

3.1 Account for the two (2) factors influencing supply of labour in an urban economy. (6)

3.2 Enumerate two (2) rationales for people to engage in informal sector activities in urban areas. (3)

3.3 List any three (3) imperfections in the labour markets. (3)

3.4 Briefly account for the housing problems in developing countries. (8)

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Question 4

Read each question carefully. Among the alternative answers, choose the letter that correspond to the best/correct answer. Each correct answer carries 1 mark.

4.2 The income approach considers which of the following as critical factors influencing urban growth?

- A) Income levels and income distribution in urban areas
 - B) Only land availability
 - C) Government infrastructure spending alone
 - D) Population density without regard to income
- 4.3 In the income-driven urban growth model, what role does investment in infrastructure play?
- A) No role in influencing urban growth
 - B) Reduces income generation potential
 - C) Stimulates income generation and attracts further urban expansion
 - D) Only affects rural areas, not urban growth
- 4.4 Which of the following best explains the relation between income growth and urban housing markets?
- A) Income growth decreases demand for housing in urban centers
 - B) Income growth increases demand for residential and commercial real estate in urban areas
 - C) Income growth has no relationship with housing demand
 - D) Income growth only affects rental prices, not housing prices
- 4.5 Which of the following is the correct order of the four main stages of urbanisation according to the spatial-cycle model?
- A) Suburbanisation, Urbanisation, Re-urbanisation, Counter-urbanisation
 - B) Re-urbanisation, Urbanisation, Suburbanisation, Counter-urbanisation
 - C) Counter-urbanisation, Re-urbanisation, Suburbanisation, Urbanisation
 - D) Urbanisation, Suburbanisation, Counter-urbanisation, Re-urbanisation
- 4.6 What is a major consequence of rapid urbanisation on housing in developing countries?
- A) Surplus of affordable housing units
 - B) Severe housing shortages and emergence of informal settlements
 - C) Stabilization of housing markets
 - D) Decrease in urban population densities
- 4.7 How do “organic housing developments” differ from formal and informal housing developments?
- A) They are planned by government agencies
 - B) They are exclusively built for commercial uses

- C) They evolve gradually without formal planning, often representing older urban neighborhoods
- D) They strictly follow zoning laws

4.8 What characterises the “counter-urbanisation” stage in the urbanisation process?

- A) Urban core population growth outpaces periphery growth
- B) Urban sprawl into surrounding countryside
- C) Urban regeneration and redevelopment
- D) Population moves from urban cores to rural or commuter towns

4.9 Re-urbanisation often involves which of the following phenomena?

- A) Regeneration and redevelopment of urban cores attracting people back
- B) Decline in urban population and infrastructure
- C) Expansion of suburban residential areas
- D) Industrial stagnation

4.10 What is identified as a key reason why many low-income households in rapidly urbanising areas remain renters rather than homeowners?

- A) High costs and affordability challenges of formal housing
- B) Preference for rental over ownership in all social groups
- C) Government restrictions on home ownership
- D) Lack of rental options

4.11 What sustainable development strategy is increasingly integrated into urban housing planning to improve environmental outcomes?

- A) Green and brown agenda integration
- B) Exclusive focus on high-rise towers
- C) Ignoring informal housing developments
- D) Restricting population growth

4.12 Housing shortages in fast-growing urban areas most directly result in:

- B) Decreased rental prices
- B) Overcrowding, high rents, and expansion of slums
- C) Urban sprawl with abundant affordable housing
- D) Reduction in homelessness

- 4.13 According to supply-based urban growth models, what effect does an expansion in transport infrastructure typically have on urban growth?
- A) It only affects industrial zones, not residential areas
 - B) It accelerates urban growth by increasing supply capacity and connectivity
 - C) It constrains urban growth by limiting access
 - D) It has no significant effect on urban growth
- 4.14 How do supply-based urban growth models explain the phenomenon of urban sprawl?
- A) By highlighting expanded land availability and infrastructure that allow cities to spread outwards
 - B) By demographic decline in urban centers
 - C) By government policies restricting inner city development
 - D) By focusing on the unchecked rise in population demand only
- 4.15 What is a key limitation of the income approach when applied to urban growth prediction?
- A) It ignores all economic factors
 - B) It assumes uniform population distribution
 - C) It relies heavily on accurate income and investment data which may be difficult to obtain
 - D) It primarily models rural development
- 4.16 Which of the following statements about the urbanisation process in developing countries is generally true?
- A) They follow exactly the same urbanisation stages observed in developed countries
 - B) Suburbanisation occurs before initial urbanisation
 - C) Urban populations decrease due to rural migration trends
 - D) They often exhibit unique patterns and may not conform to established models fully
- 4.17 What is a widely noted consequence of the mismatch between rapid urban population growth and housing supply?
- A) Only formal housing units are built
 - B) Increased pressure on existing housing leading to informal expansion
 - C) Decrease in urbanization rates
 - B) Urban decentralization

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Question 5

Given that the Marginal Propensity to Consume (MPC) locally produced goods and services is 38% for Okatopi and 76% for Aranos, answer the following questions.

- 5.1 Calculate the Urban Multiplier (UM) for Okatopi and Aranos. (4)
- 5.2 Using the above Urban multipliers obtained for Okatopi and Aranos, explain how the proportion of additional income spent on locally produced goods influences the real estate market in these cities. (10)
- 5.3 Complete the table below by indicating the characteristics and type of centre for each of the following goods and services required by the population in a hinterland according to Christallers central place model? (6)

Name of Goods and Services	Range	Threshold	Type of Centre
Brazilian High commission			
A sachet of Indomie			
Honours degree in Culinary Education			
Meme Akutu's delicious Fat cook			

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