



**NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY**

**FACULTY OF ENGINEERING AND THE BUILT ENVIRONMENT**

**DEPARTMENT OF LAND AND SPATIAL SCIENCES  
(LAND AND PROPERTY SECTION)**

<b>QUALIFICATION(S):</b> BACHELOR OF PROPERTY STUDIES DIPLOMA IN PROPERTY STUDIES	
<b>QUALIFICATION(S) CODE:</b> 08BPRS 06DPRS	<b>NQF LEVEL:</b> 6
<b>COURSE CODE:</b> UEN621S	<b>COURSE NAME:</b> URBAN ECONOMICS
<b>EXAMS SESSION:</b> JANUARY 2023	<b>PAPER:</b> THEORY
<b>DURATION:</b> 3 HOURS	<b>MARKS:</b> 100

<b>SECOND OPPORTUNITY/SUPPLEMENTARY EXAMINATION QUESTION PAPER</b>	
<b>EXAMINER(S)</b>	SAMUEL ATO K. HAYFORD
<b>MODERATOR:</b>	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>7 questions</b>.</li><li>4. You must answer <b><u>ALL QUESTIONS</u></b> in Section A and <b><u>ONLY 1 question</u></b> from section B.</li><li>5. Make sure your Student Number is on the EXAMINATION BOOK(S).</li></ol>	

**PERMISSIBLE MATERIALS**

None.

**THIS QUESTION PAPER CONSISTS OF 6 PAGES** (Including this front page)



**SECTION A****Question 1**

For each of the following statements indicate whether it is 'TRUE' or 'FALSE'. Each correct answer carries 1 mark. (20)

- a) Larger firms have a cost advantage over their competitors. Not only does a larger plant gain from economies of scale, it also will produce more. Companies often use this advantage as a competitive strategy by first building a large plant with substantial economies of scale, and then using its lower costs to price aggressively and increase sales volume.
- b) For shops, accessibility to as many customers as possible is paramount and the revenue earning capacity of ground floor locations in the Central business District (CBD) enables them to outbid other users.
- c) Land values determine land uses and not the vice versa.
- d) Urban primacy tends to characterize developing countries. However, the primacy status gets worse as the country begins to develop.
- e) The price of land is determined by the interaction of demand and supply in the market. In the sense that total supply of land is fixed in the short term. The price of land can be regarded as being determined by demand alone.
- f) Urban land use is determined by various decisions made by only firms and household without the participation of the government.
- g) Under the income approach of urban growth, income from factors owned but hired to producers located outside the area (earnings of externally employed factors) constitute a leakage
- h) 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.



- i) Urban primacy is often characterized by proportionate concentration of population in capital cities.
- j) Countries with decentralized political power to the local government where distribution of resources depends on the competitive ability to generate revenue from economic base are usually characterized by urban primacy.
- k) Footloose industry is a general term for an industry that can be placed and located at any location without effect from factors such as resources or transport.
- l) An area is declared an 'urban area' by a formal and authoritative order, especially one having the force of law after taking into consideration the population, need for proper planning of the area and other relevant factors.
- m) Processing costs - the many expenses that arise in the industrial production process as labour and other factors are used to transform raw and semi-finished materials into manufactured goods. Conscious reduction of this cost is usually associated with market-oriented firms and industries.
- n) Transfer costs reductions are associated with material-oriented firms and industries
- o) Growth in size of a city can eventually give rise to urban diseconomies due to higher transport costs.
- p) If the in-migrants of a particular urban area are predominantly of one sex the accompanying rate of natural increase for urban growth is likely to be higher.
- q) 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.





- r) Problem of defining what is basic activities and what is non-basic activities as the city grows is only a long run phenomenon.
- s) Spending on imports, payment for the use of externally owned factors of production and national government taxes constitute 'injections' since they generate economic activity elsewhere.
- t) Incidence of respiratory diseases, carbon dioxide emission (Green House) and public safety are characteristics normally associated with urban diseconomies.

[20]

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### Question 2

- a) List the four (4) economic forces that are likely to reinforce the original impetus for the emergence of a town or city. (2)
- b) By the Economic (export)-base model it is external demand which stimulates growth of an urban area and not internal demand. Briefly account for this statement. (13)
- c) Mention any three (3) sources of the following which affect the growth of an urban area according to the Keynesian approach to urban growth. (6)
- i) Injections
- ii) Leakages

[21]

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### Question 3

- a) The decision to locate any activity on any location is influenced by the profitability or utility (satisfaction) occurring from the use of that site. Briefly elaborate on this with regards to land use location decisions for manufacturing industry. (10)





- b) Distinguish between the two forms of labour mobility. (2)
- c) Briefly explain any four (4) determinants of the two forces that determine the level of wages in the labour market. (8)

[20]

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#### **Question 4**

- a) Urban Infrastructure appears to be the main driver and perhaps the most influential component of the urban economy that stimulates the growth of urban areas. Briefly explain. (11)
- b) Enumerate any six (6) indicators of urban poverty. (3)
- c) Enumerate the three main characteristics of the labour force in Africa? (3)
- d) Distinguish between the two forms of labour mobility. (3)

[20]

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#### **Question 5**

- a) What is meant by Rent Control? (1)
- b) Account for the effects of Rent control policy as a form of government intervention where it is effectively implemented in the housing market. (10)

[11]

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**SECTION B**

**Question 6**

With a good and a service as an example state and briefly explain the two (2) characteristics of goods and services of Walter Christaller's central place theory. (8)

[8]

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**OR**


**Question 7**

Briefly explain the seven (7) criticisms of the Walter Christaller's central place theory. (8)

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**All the best of luck.**

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 2