



**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: 08BPRS 06DPRS	NQF LEVEL: 6
COURSE CODE: UEN621S	COURSE NAME: URBAN ECONOMICS
EXAMS SESSION: JANUARY 2024	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY/SUPPLEMENTARY EXAMINATION QUESTION PAPER	
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MODERATOR:	MRS ELINA TEODOL

INSTRUCTIONS	
1.	Read the entire question paper before answering the Questions.
2.	Please write clearly and legibly!
3.	The question paper contains a total of 5 questions .
4.	You must answer <u>ALL QUESTIONS</u> .
5.	Make sure your Student Number is on the EXAMINATION BOOK(S).

PERMISSIBLE MATERIALS

Usage of non-programmable Scientific Calculator is permitted.

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) Open spaces especially cemeteries are usually created and maintained for profit making purpose.
- b) An urban area may be defined exclusively by using demographic and economic criteria.
- c) Immobility or limited mobility and heterogeneity of land parcels especially as affected by location are primarily responsible for the imperfect nature of the land market.
- d) A fall in basic employment will result in the decline in non-basic employment and this will correspondingly indicate a decline of an urban area.
- e) The growth of the non-basic sector, also known as the Service sector, is independent of the basic sector, and it primarily produces goods and services for export rather than domestic consumption.
- f) Basic sector industries refer to those industries in the urban economy which produce goods and services for external demand, bring income to the urban economy and thus create employment in the non-basic sector and by so doing stimulate urban growth.
- g) According to the central place model the extent of market for activities located within an urban area is determined by the processing and transportation costs in that area relative to the cost of production in, plus the cost of transport from, other urban areas to the potential consumers.
- h) The Green belt has the aim of maintaining a town's identity by preventing neighbouring towns from merging.

- i) Green belt policy has the aim of preventing the loss of agricultural land by wasteful urban spread.
- j) Under the economic base theory of urban growth, non-basic activities involve industries producing goods and services for consumption by the inhabitants of the urban areas only.
- k) According to Button (1976), "an urban area refers to spatial concentration of people and economic activities within a segregated network of economic markets situated in a limited spatial area".
- l) The rapid population increase in Windhoek the capital of Namibia necessarily indicates over-urbanisation.
- m) 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.
- n) Shortage of space restricts urban growth because lateral as well as vertical growths are impossible in the short term.
- o) Town planning regulations especially green belt policy encourage vertical growth of urban area and protect agricultural lands from new developments by law.
- p) According to von Thünen's Least-cost location theory as applied to agricultural land use, transportation costs are so important that they have significant effects on (land) rent paying ability and the quantity of products can be sold profitably.
- q) Given any location, different competing land uses have the same rent paying abilities
- r) The principal weakness of the Keynesian approach to urban growth is the lack of statistical data available at a local level.

- s) According to the economic base theory of urban growth, non-basic activities are seen as the dominant cause of urban growth.
- t) In the short-term housing supply is inelastic (completely fixed). It cannot be increased fast because of higher costs of construction, high costs of land and shortage of building materials.

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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. (4)
- b) 'Neither the demand based nor the supply-based models of urban growth provide a satisfactory explanation of urban growth, but rather the union of the two types of urban growth models'. Briefly elaborate on this statement. (14)
- c) Mention any three (3) sources of leakages and four (4) sources of injection that affect the growth of an urban area according to the Keynesian approach to urban growth. (7)
- d) Suppose an 'injection' generates money inflow amounting to N\$60,000,000.00 (sixty million Namibian dollars) to be spent in Oshakati city.
- i) Determine the next two net incomes generated in the urban economy if you assume 8% and 15% respectively for any two items of leakages mentioned in question c) i). (2)
- ii) What is the total income generated if the successive rounds of incomes are added up. (1)
- e) Given that the Marginal propensity to consume internally/locally produced goods in the Oshakati economy is 75%, what will be the multiplier (extent of growth of Oshakati)? (2)

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Question 3

- a) What is meant by Urban Poverty? (1)
- b) Enumerate any six (6) indicators of urban poverty. (3)
- c) Outline any three (3) peculiarities exhibited by Housing as a commodity? (3)
- d) "Advantages of centralised urbanisation (primate cities) far outweigh the diseconomies associated with it and for that reason should not be controlled". Discuss. (14)
- [21]**
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Question 4

- a) List the two (2) factors or conditions that contributed to the high rates of male and infant mortality in 19th-century urban settings. (3)
- b) Briefly explain any four (4) characteristics of 19th century urbanization. (4)
- c) "The decision to locate any activity on any location is influenced by the profitability or utility (satisfaction) occurring from the use of that site". List four (4) factors that influence retail stores or shopping land use location decisions. (4)
- d) Define 'Rent Control' (2)
- e) Mention any five (5) effects of Rent Control policy where it is effectively implemented. (5)
- f) Give two (2) reasons for urban primacy in developing countries. (3)
- [21]**
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Question 5

- a) State the difference between the following terms;
- i) Betterment and Worsenment. (2)
 - ii) Public Goods and Merit Goods (2)
- b) Briefly describe any (2) circumstances (in each case) under which *Betterment* **OR** *Worsenment* may arise. (4)

[8]
