



**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: NOVEMBER 2023	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
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<p style="text-align: center;">INSTRUCTIONS</p> <ol style="list-style-type: none">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

1. Non-programmable Scientific Calculator

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. (23)

- a) By implication the income approach of the Economic (export) based model divides the urban economy into basic and non-basic urban residents and basic and non-basic urban industries.
- b) Under the income approach of the Economic (export) based model of urban growth the basic and non-basic industries of the urban economy produce goods for sale both domestically and external consumption whereas the urban residents offer their labour only for internal production of goods for internal consumption.
- c) Green belt has the aim of maintaining a town's identity by preventing neighbouring towns from merging.
- d) Green belt has the aim of preventing the loss of agricultural land by wasteful urban spread.
- e) Under economic based theory of urban growth, non-basic activities involve industries producing goods and services for consumption by the inhabitants of the urban areas only.
- f) According to the economic base theory of urban growth, non-basic activities are seen as the dominant cause of urban growth.
- g) By the Keynesian model of urban growth, it is the changes in the total income of the urban area (not only simply exports) that results in changes in its level of business activities and employment.
- h) Households use of land seeks to maximize utility in deciding where to live. Non-monetary consideration such family ties, fresh air, peace and quiet are very important factors contributing to residential utility.

- i) Accessibility to work and shops aspects of utility associated with residential urban land use.
- j) For the mere fact that there is rapid increase in and rising levels of population in Windhoek certainly means that Windhoek is over-urbanised.
- k) 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.
- l) The principal weakness of the Keynesian approach to urban growth is the lack of statistical data available at a local level.
- m) In the market economy, exchanges take place on the basis of prices determined by the interaction of demand and supply.
- n) To effect exchanges in the property market, there must be a place where buyers and sellers must be put in touch with one another.
- o) In the real property market, what is actually dealt with and transferred is the 'property right' often referred to as 'interests'.
- p) By the supply based model a causation whose effects are positive has the potential for decreased tax base and tax revenue for the urban area.
- q) The chain reaction associated with cumulative causation model of supply based model of urban growth is said to be created by the multiplier effect.
- r) According to the Income approach of Economic (export) based model the growth or decline of the urban economy is the result of exogenous (external) demand for goods and services of the urban areas.

- s) On the basis of quality and variety of goods and services produced, central place theory assumes a listing of order centres. The listing produces a hierarchy of urban areas which ranges from the smallest number of centres dealing with goods that are highly frequently demanded to the largest number of centres dealing with goods that are less frequently demanded.
- t) Higher order centres provide a wide variety of goods and services and are thus positioned higher in the hierarchy of an urban area because they provide more specialised goods and services in addition to the lower order goods and services.
- u) Von Thunen's theory of land rent attributes emergence of rent to differences in fertility of various pieces of agricultural land.
- v) 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.
- w) Greatest accessibility gives rise to high competition for central sites hence high rents and land prices and values.

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Question 2

- a) Enumerate the two (2) factors or situations that were attributable to high male and infant mortality rate in the 19th century urban areas. (3)
- b) Distinguish between the following: (6)
 - i) Urbanisation and Over-urbanisation
 - ii) Internal and external economies of scale

- c) Briefly explain how agglomeration economies influence the emergence of towns/cities. (8)
- d) List the three (3) criteria by which an area is classified as an urban area. (3)

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Question 3

- a) Account for the two (2) factors influencing supply of labour in an urban economy. (6)
- b) Enumerate two (2) rationales for people to engage in informal sector activities in urban area? (3)
- c) List any three (3) imperfections in the labour markets. (3)
- d) Briefly account for the housing problems in developing countries. (8)

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Question 4

- a) A hypothetical Population and housing census data released in the year 2002 indicated the following ranking on the basis of the population figures recorded.

1 st City	-	Windhoek	-	233,529
2 nd City	-	Walvis Bay	-	43,611
3 rd City	-	Rundu	-	36,964
4 th City	-	Oshakati	-	28,255

- i) Using the Rank size rule determine the primacy status between Windhoek and Oshakati. (2)
- ii) Determine the Primacy index between Windhoek and Walvis Bay. (2)

- iii) What conclusion can be drawn from your answers obtained in (i and ii) above? (2)
- iv) Briefly explain any two (2) reasons that might have contributed to this situation. (2)
- b) Discuss three (3) factors that can limit or restrict urban growth in physical terms. For each factor you mention, clearly relate it to one of the two forms of physical growth (please specify these forms in your answer) and provide a rationale for its impact on that form of growth. (9)

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Question 5

“The extent of the resulting urban growth will depend upon the proportion of the additional income which is spent on internally produced goods” Given the Marginal Propensities to Consume (MPC) local goods of 72% and 23% for Omuthiya and Okamatapati cities respectively,

- a) Calculate the Urban Multiplier (UM) for the respective cities (4)
- b) Using a hypothetical scenario, explain the significance of the Urban Multipliers you calculated for Omuthiya and Okamatapati cities, and discuss the potential implications for the growth of these cities. (16)

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