



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCE AND EDUCATION

DEPARTMENT OF MARKETING AND LOGISTICS

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| QUALIFICATION: BACHELOR OF TRANSPORT MANAGEMENT | |
| QUALIFICATION CODE: 07BTRA | LEVEL: 5 |
| COURSE CODE: TTE511S | COURSE NAME: TRANSPORT ECONOMICS |
| SESSION: JULY 2022 | PAPER: THEORY |
| DURATION: 3 HOURS | MARKS: 100 |

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| SUPPLEMENTARY / SECOND OPPORTUNITY EXAMINATION QUESTION PAPER | |
| EXAMINER(S) | Mr. Mike Nganjone Mr. Mukela Mabakeng Ms. Hilma Nuuyandja |
| MODERATOR: | Mr. Jacinto Silva |

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| INSTRUCTIONS |
| 1. Answer ALL the questions. 2. Write clearly and neatly. 3. Number the answers clearly. |

THIS QUESTION PAPER CONSISTS OF 5 PAGES (Including this front page)

QUESTION 1

Multiple choice questions

[2x 10 Marks]

- 1.1 Holding everything else constant, an improvement in technology affecting the manufacture of a particular good will.....
- (a) Shift the supply curve to the left
 - (b) Shift the supply curve to the right
 - (c) Shift both the demand curve and the supply curve to the right
 - (d) Shift both the demand curve and the supply curve to the left
- 1.2 If the price elasticity of demand for a good is -2.0 , then a 10% increase in price would result in a
- a) 20% increase in the quantity demanded
 - b) 20% decrease in the quantity demanded
 - c) 5% decrease in the quantity demanded
 - d) 5% increase in the quantity demanded
- 1.3 An externality is.....
- (a) The effect of government regulation on market price and output
 - (b) The amount by which price exceeds marginal cost
 - (c) A cost or benefit arising from a decision not enjoyed by the decision maker
 - (d) Someone who consumes a good without paying for it
- 1.4 Transport is viewed as a derived demand. Derived demand in this context means:
- a) The demand for transport services is determined by the demand to transport goods and passengers from one place to another
 - b) An individual's ability and willingness to buy transport services
 - c) A nation's ability and willingness to provide an adequate transport infrastructure
 - d) A policy to limit congestion in city centres
- 1.5 Which of the following can lead to an increase in the supply for good X?
- a) Decrease in the number of sellers of good X.
 - b) An increase in the price of inputs used to make good X.
 - c) An improvement in technology used in production of good X.

- d) An increase in consumers' income, assuming good X is a normal.
- 1.6 If the demand for Product A does not change as the price of Product B increases then
- a) The two goods are unrelated.
 - b) The two goods are substitutes.
 - c) The two goods are complements.
 - d) The consumers of Product B have enjoyed an increase in real income
- 1.7 The infrastructure is also the carrying unit.
- a) Cable
 - b) Rail
 - c) Road
 - d) Pipeline
- 1.8 Transport system that is affordable, dependable, allows the basic access and development needs of the society to be met safely consistently, refers to:
- a) Intermodal transport
 - b) Road transport
 - c) Sustainable transport
 - d) Integrated transport
- 1.9 A market is perfectly competitive when
- a) There are two virtually identical firms which are equally matched and selling in the same market
 - b) Government authorities set price at an acceptable level which forces firms to compete on everything except price
 - c) All sellers must charge approximately the same price for comparable products
 - d) Few firms that consider other actions and reactions
- 1.10 If the price of a good is N\$10 and the market for the good is in equilibrium, then an increase in the number of buyers will
- (a) cause a shift in the demand curve with no change in the equilibrium price
 - (b) cause a shift in the demand curve and increase the equilibrium price
 - (c) cause a shift in the demand curve and reduce the equilibrium price

(d) cause a shift in the supply curve with an uncertain effect on price

Sub-total: 20 Marks

QUESTION 2

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

1. Deregulation in transport can be defined as the removal of controls imposed by governments on the operation of markets, particularly taking away barriers to entry
2. Traffic congestion can be reduced by discouraging people from using public transportation and encouraging private vehicle ownership.
3. Regulatory control represents a means of influencing the shape of transportation that is very widely employed.
4. The only effective way in which railway can be used to reduce congestion is to take an integrated approach to all modes and see them as part of the overall transport facility
5. Consumer protection in transport has mainly to do with protecting the transport providers from demanding customers and the effects of manipulating price.

Sub-total: 10 Marks

QUESTION 3

- 3.1 Briefly name and discuss the three main characteristics of transport? (9 marks)
- 3.2 Explain how the purpose of a trip can influence the levels of demand in the transport industry? Support your answer with relevant examples (6 marks)
- 3.3 In your own words, define sustainable Transport? (5 marks)
- 3.4 Briefly, explain any five arguments in favor of transport regulations? (10 marks)
- 3.5 Briefly discuss the Role of Transport in the Development of Trade? (10 marks)

Sub-total: 40 Marks

QUESTION 4

- 4.1 Explain the difference between privatization and deregulation? (10 marks)
- 4.2 Discuss any two Arguments in favour of private financing of transport infrastructure? (6 marks)

4.4 Traffic Congestion has become one of the major problems in Windhoek especially during peak hours. Discuss any four ways how this problem can be addressed through supply management? (10 marks)

4.5 As Transport Manager what do you understand by an integrated transport policy? (4 marks)

Sub-total: 30 Marks

Grand Total: 100 marks

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2017-05-06
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