

UNIVERSITY OF SWAZILAND

DEPARTMENT OF ECONOMICS

FINAL EXAMINATION PAPER 2008/09

TITLE OF PAPER: TRANSPORT ECONOMICS

COURSE CODE: ECON 423

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

- 1. ANSWER FOUR QUESTIONS: TWO QUESTIONS FROM SECTION A, AND TWO QUESTIONS FROM SECTION B.**
- 2. ALL QUESTIONS CARRY EQUAL MARKS, OF 25 EACH.**

THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

SECTION A**QUESTION 1**

- (i) Discuss any four (4) factors that affect the demand for transport. **(10)**
- (ii) Transport has an inelastic price elasticity of demand. Explain why? **(5)**
- (iii) The price elasticity of transport can be classified into four types.
Discuss any two. **(10)**

QUESTION 2

- (i) Discuss any four (4) benefits of a Transport System. **(10)**
- (ii) In view of the fluctuations in transport demand especially in public transport, what adjustments or pricing mechanisms would you suggest to a bus service provider? **(15)**

QUESTION 3

- (i) Discuss three benefits of privatisation in the context of transport. **(6)**
- (ii) Discuss any three factors that affect crash costs. **(9)**
- (iii) Transport is considered to be a major contributor to environmental impacts. Discuss any two impacts caused by transport? **(10)**

QUESTION 4

- (i) Explain how demand can be used in pricing transportation services?
(10)
- (ii) Define the two transportation costs that are directly borne by the commuter or transport user. **(7)**
- (iii) Take any one in (ii) and discuss any two factors affecting it. **(8)**

SECTION B**QUESTION 5**

- (i) Describe the two types of traffic congestion. **(5)**
- (ii) Discuss three; negative and positive, effects of traffic congestion. **(15)**
- (iii) Give two reasons why building more roads does not solve the congestion problem. **(5)**

QUESTION 6

The planning process for transport projects requires a number of stages to be undertaken. Describe the stages involved. **(25)**

QUESTION 7

Discuss the impacts of transportation in economic development of a country. **(25)**

QUESTION 8

- (i) Describe the decision making process that can be followed by a middle income person, to decide to buy a car? **(10)**
- (ii) Discuss two actions for reducing congestion under the Travel Demand Management (TDM). **(10)**
- (iii) How can the Government recover the costs of constructing the road? **(5)**