

UNIVERSITY OF SWAZILAND

DEPARTMENT OF ECONOMICS

FINAL EXAMINATION PAPER 2012/13

TITLE OF PAPER: TRANSPORT ECONOMICS

COURSE CODE: ECON 424

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS: **1. ANSWER FOUR QUESTIONS**
 2. ALL QUESTIONS CARRY EQUAL MARKS,
 OF 25 EACH.

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

QUESTION 1

Why do people prefer using individual or privately owned cars when travelling? What are the consequences (positive and negative) of such a trend? **(25)**

QUESTION 2

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

QUESTION 3

- (i) Discuss any three (3) benefits of a transport system. **(6)**
- (ii) Discuss any three (3) reasons for movement by transport. **(6)**
- (iii) Why is it important to understand the pattern of the demand for car ownership? **(5)**
- (iv) Why do we have to consider logistics management in transport management? **(3)**
- (v) Direct costs in transport can be divided into two components; give the two components with two examples in each. **(5)**

QUESTION 4

- (i) Explain how demand can be used in pricing transportation services? **(10)**
- (ii) In view of the fluctuations in transport demand especially in public transport, what adjustments or mechanisms would you suggest to a bus service provider? **(15)**