

- (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? **(5)**
- (iii) Marginal cost pricing in transportation may result the supplier to incur financial loss. Explain why? **(5)**
- (iv) Under what objectives would marginal cost pricing be much helpful? Support your answer with an example. **(5)**

#### **QUESTION 5**

- (i) Define the two transportation costs that are directly borne by the commuter or transport user. **(6)**
- (ii) Discuss any three (3) factors that travel time costs. **(9)**
- (iii) How can the Government recover the costs of constructing a road? **(5)**
- (iv) Discuss any two (2) factors affecting crash costs. **(5)**

#### **QUESTION 6**

- (i) Discuss any two positive externalities in transport. **(5)**
- (ii) Transport is considered to be a major contributor to environmental impacts. Discuss any five (5) impacts caused by transport? **(20)**

### **QUESTION 1**

- Discuss the advantages and disadvantages of each of the following modes of transport: - Road, Railway, Sea and Air. It will be advisable to make some comparisons, in your discussion, between these modes. **(25)**

### **QUESTION 2**

- (i) Discuss any three (3) benefits of a transport system. **(6)**  
(ii) Transport has an inelastic price elasticity of demand.  
Explain why? **(4)**  
(iii) The price elasticity of transport can be classified into four types.  
Discuss any two. **(5)**  
(iii) Discuss any other four (4) factors affecting demand for transport besides the price of transport. **(10)**

### **QUESTION 3**

- (i) Define the role played by government in privatization. **(4)**  
(ii) Discuss two (3) benefits of privatization. **(6)**  
(iii) Define the cost-only contract process of transferring ownership. **(3)**  
(iv) Give three (3) advantages and disadvantages of the cost-only contract. **(12)**

### **QUESTION 4**

- (i) Explain how demand can be used in pricing transportation services? **(10)**

UNIVERSITY OF SWAZILAND

DEPARTMENT OF ECONOMICS

FINAL EXAMINATION PAPER 2013/14

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.**

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