

**NATIONAL UNIVERSITY OF LESOTHO**

**B.A. SUPPLEMENTARY EXAMINATIONS**

**EC 4323: TRANSPORT ECONOMICS**

**AUGUST, 2023**

**TIME: 3 Hours**

**INSTRUCTIONS: Answer all Questions.**

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### **QUESTION 1**

- a) Discuss briefly three causes of road accidents. [10]
- b) Discuss briefly three policy options that can be adopted to curb roads accidents. [15]

### **QUESTION 2**

- a) Differentiate between joint and common costs in transport services. [15]
- b) Differentiate between economies of scale and economies of scope in transport services. [10]

### **QUESTION 3**

- a) Why is the demand for transport services regarded as a derived demand?[10]
- b) Discuss any three direct benefits of transport to the economy. [15]

### **QUESTION 4**

- a) Differentiate between Marginal Social Costs [MSCs] and Marginal Social Benefits[MSBs]in transport. [10]
- b) With the aid of a diagram, discuss economic costs of road traffic congestion. [15]

**THE END.**