

NATIONAL UNIVERSITY OF LESOTHO

B.A. EXAMINATIONS

EC 4323 – TRANSPORT ECONOMICS

JANUARY, 2024

100 MARKS

TIME: 3 HOURS

INSTRUCTION:

Answer **any four** questions. Each question carries equal marks.

Question 1

- a) Differentiate between economics and transport economics? [5]
- b) Why is the demand for transport services regarded as a derived demand? [5]
- c) Differentiate between economies of density and economies of experience in transport services. [5]
- d) Differentiate between joint and common costs in transport services. [5]
- e) Differentiate between economies of scope and cost complementarity in transport services. [5]

Question 2

- a) With reference to air transport services, explain and demonstrate the concept of the Hub and Spoke Operations. [10]
- b) With the aid of a diagram, discuss economic costs of road traffic congestion. [15]

Question 3

- a) Discuss three possible causes of road accidents. [15]
- b) Discuss three policy options available to curb road accidents. [10]

Question 4

- a) Suppose there is an untolled parallel non-motorway road between Bloemfontein and Gauteng. Demonstrate and justify the case for road pricing for the N1 motorway. [15]
- b) Discuss the Hedonic Prices method of the valuation of externalities. [10]

Question 5

- a) What are the arguments used against road pricing? What are the other charging mechanisms that have been considered? Discuss three in each case. [12]
- b) With the aid of a diagram, discuss the Logistic curve fitting model of car ownership forecasting. [13]

Question 6

- a) Differentiate between transport policy and transport plan. [5]
- b) Discuss three contributions of transport to the economy. [10]
- c) Discuss three policy options available to enhance efficiency of transport in the economy. [10]

THE END !!!!