



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE

**BACHELOR OF COMMERCE HONOURS DEGREE IN
LOGISTICS AND SUPPLY CHAIN MANAGEMENT**

TRANSPORT ECONOMICS

HLSM 232

PART 2 SEMESTER 1

TOTAL MARKS [100]

DATE: DECEMBER 2024

Time: 3 Hours

INSTRUCTIONS

- 1 This paper has *six (6)* questions
- 2 Answer question *one (1)* and *any* other *three (3)*
- 3 Each question carries *25 marks*
- 4 Start each question on a new page.

1. Analyse the methods used by economists to place monetary values on different externalities such as noise and congestion, arising from increased transport use.
(25 marks)
2. Analyse the economies of scale and returns to scale which may arise in a transport market of your choice.
(25 marks)
3. (a) Discuss the effectiveness of indirect taxation on fuel as a method of solving market failure in transport. (15 marks)
b) Analyse the reasons why traffic congestion is an example of market failure
(10 marks)
4. Citing relevant examples in the transport industry, discuss the view that 'market inefficiency is not a sectorial term but is universally applicable.
(25 marks)
5. Discuss the government policies affecting participants in the transport industry.
(25marks)
6. Evaluate the effectiveness of using forecasts of transport trends to meet the future needs requirements of transport markets in any country from your choice.
(25 marks)

END OF PAPER