



**REFORMED CHURCH UNIVERSITY**

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**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: JUNE 2024

Time: 3 Hours

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**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 characteristics of monopolistic competition in Zimbabwe. (25 marks)
2. Discuss the effectiveness of subsidising public transport in overcoming market failure in transport markets. (25)
3. For a mode of transport of your choice, explain the routing and scheduling factors that may be taken into account in order to ensure effective and value for money service. (25 marks)
4. Many elements of the transportation system, however, do not necessarily result in equilibrium. Take the case where an increase in A causes an increase in B. An increase in B causes an increase in A. An example where an increase in A, Traffic Demand, causes an increase in B, Gas Tax Revenue, which causes an increase in Road Building, which in turn causes an increase in traffic demand. This example assumes that the gas tax generates more demand from the resultant road building than it costs in sensitivity to demand and the price, in other words, that the investment is worthwhile. Illustrate and explain your understanding of the concept equilibrium of supply and demand in the transport sector. (25marks)
5. Building roads, a good idea even if it results in more travel demand. Argue its effects to economic development and Gross domestic product of any country of your choice. (25 marks)
6. Using one mode of transport, analyse the barriers to entry in the transport market. (25 marks)

**END OF PAPER**