

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF ECONOMICS

PROGRAMMES: BCom SUPPLY CHAIN MANAGEMENT,

BSc HONOURS DEGREE IN ECONOMICS

SCM203/EC410: TRANSPORT ECONOMICS

DURATION: 3 HOURS

JUN 2025

Instructions to candidates

1. Answer only four (4) questions.
 2. All questions carry equal marks of 25.
 3. Start a new answer on a fresh page.
 4. No cellular phones are allowed in the examination room.
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Question 1

Discuss whether a national road pricing system will be effective in solving the market failure arising from road traffic congestion.

[25 Marks]

Question 2

- a) Explain why the demand for air transport can be said to be derived demand.
[7 Marks]
- b) Identify and explain five external benefits from the expansion of Harare International Airport.
[10 Marks]
- c) Comment on the extent to which Zimbabwean economy benefit from provision of taxi services.
[8 Marks]

Question 3

Discuss the extent to which different modes of transport are sustainable.

[25 Marks]

Question 4

Explain the impact of transport in economic growth and development in a developing country such as Zimbabwe.

[25 Marks]

Question 5

- a) State and explain five factors which the Zimbabwe government might use in forecasting road transport demand.

[15 Marks]

- b) Explain the problems which the Zimbabwe government may have in making such forecast.

[10 Marks]

Question 6

Discuss whether the objective of firms in the transport sector should always be that of profit maximisation.

[25 Marks]

END OF PAPER