

**MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**P.O. Box 972-60200 – Meru-Kenya**

**Tel: 020-2069349, 061-2309217. 064-30320 Cell phone: +254 712524293, +254 789151411**

**Fax: 064-30321**

**Website:** [**www.must.ac.ke**](http://www.must.ac.ke) **Email:** [**info@must.ac.ke**](mailto:info@must.ac.ke)

**University Examinations 2015/2016**

SECOND YEAR FIRST SEMESTER EXAMINATION FOR THE

DEGREE OF

BACHELOR OF PURCHASING AND SUPPLIES MANAGEMENT

**BEC 3325: TRANSPORT ECONOMICS**

**DATE: AUGUST 2016 TIME: 2 HOURS**

**INSTRUCTIONS:** *Answer question* ***one*** *and any other* ***two***questions.

**QUESTION ONE (30 MARKS)**

1. Transport terminals play a great role in the transport industry. Explain (6 marks)
2. Give and discuss the major factors that may be of great consideration when choosing the right mode of transport in a busy organization (10 marks)
3. Transport acts as a catalyst to economic development. Explain this statement bringing out clearly the importance of transport in an economy like that of Kenya. (4 marks)
4. Discuss the disadvantages of containerization as a modern method of transportation (6 marks)
5. Show how the Standard Gauge Railway (SGR) is likely to contribute to the economy of Kenya. (4 marks)

**QUESTION TWO (20 MARKS)**

1. Discuss five factors that may influence the demand for transport in a country. (10 marks)
2. Discuss the main contributions of internet into the transport industry. (10 marks)

**QUESTION THREE (20 MARKS)**

Discuss the roles of the following transport participants

1. Carriers and agents (5 marks)
2. The public (5 marks)
3. Shipper and consignee (5 marks)
4. The government (5 marks)

**QUESTION FOUR (20 MARKS)**

1. Discuss the main trends and emerging issues in modes of transport for economic development (10 marks)
2. Give and explain the main features of a good transport system in an economy. (10 marks)

**QUESTION FIVE (20 MARKS)**

1. Explain the main factors determining the elasticity of demand for transport (10 marks)
2. Demand for transport is said to be of derived demand. Explain this statement. (6 marks)
3. Explain clearly the phrase “transport economics” (4 marks)