



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

UNIVERSITY SPECIAL/RESIT/SUPPLEMENTARY EXAMINATION

2017/2018 ACADEMIC YEAR

SPECIAL/RESIT/SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF COMMERCE

HPS 2214 – TRANSPORT ECONOMICS

DURATION: 2 HOURS

DATE: 27TH APRIL, 2018

TIME: 2.00 – 4.00 P.M.

Instructions to Candidates:

1. Answer **Question 1** and **Any Other Two** questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

SECTION A – ANSWER ALL QUESTIONS IN THIS SECTION

QUESTION ONE

- a) Describe the nature of transport economics (5 marks)
- b) Outline the cost structure in the transport sector (5 marks)
- c) Contrast two types of elasticities of demand for transport services (5 marks)
- d) List five sources of capital for investment in the transport industry (5 marks)
- e) Discuss four attributes of promotion mix within the transport sector (10 marks)

SECTION B – ANSWER ANY TWO QUESTIONS IN THIS SECTION

QUESTION TWO

- a) Evaluate four elements that affect activities of a transport company (10 marks)
- b) Compare pricing approaches between a monopoly and perfect competition market structures (10 marks)

QUESTION THREE

- a) Assess four factors that affect demand for transport services (10 marks)
- b) Discuss the significance of air transport to economic development (10 marks)

QUESTION FOUR

- a) With the help of examples, justify the use of promotions within the transport industry (10 marks)
- b) Explain the association between land use and development of the transport sector (10 marks)