



MODULE : TRANSPORT ECONOMICS 1A

CODE : TRE11A1

DATE : JULY 2016

DURATION : 180 Minutes

TOTAL MARKS : 120 Marks

EXAMINER : Dr N Pisa

MODERATOR : Mr G Heyns

NUMBER OF PAGES : 7 Pages

INSTRUCTIONS TO CANDIDATES:

- Answer all the questions
- Question papers must be handed in.
- This is a closed book assessment.
- Read the questions carefully and answer only what is asked.
- Number your answers clearly.
- Write neatly and legibly
- Structure your answers by using appropriate headings and sub-headings.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

SECTION B [90 MARKS]

QUESTION 1

(15 marks)

- a.) What are the conditions necessary for an operator to practice price discrimination
(7 marks)
- b.) Outline the conditions under which collusion by organisations is likely to occur?
(8 marks).

QUESTION 2

(20 marks)

Describe and explain the barriers to entry associated with monopolistic market structures in transport markets.

QUESTION 3

(10 marks)

Under an oligopolistic market structure, explain how a transport service provider can differentiate its services from its competitors.

QUESTION 4**(20 marks)**

Describe and explain the different forms of transport regulation?

QUESTION 4**(15 marks)**

Discuss the reasons for public ownership of transport assets.

QUESTION 5**(10 marks)**

Discuss the rationale for a public subsidy in transport markets.

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