



**QUALIFICATION** : BCOM HONOURS  
**MODULE** : RAIL TRANSPORT MANAGEMENT  
**CODE** : TRE8X07  
**DATE** : JULY 2018 SUPPLEMENTARY EXAMINATION  
**DURATION** : 180 MINUTES  
**TIME** :  
**TOTAL MARKS** : 180 MARKS

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**EXAMINER** : DR L PETKOON  
**MODERATOR** : PROF S GRATER  
**NUMBER OF PAGES** : 2 PAGES

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**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.

**QUESTION 1**

**(45 MARKS)**

A Railway is a capital-intensive organization which is characterised by high fixed costs.

- How does this affect the planning horizon of the leaders in the rail industry from an infrastructure and a rolling stock perspective?
- How does this impact on its ability to respond to modest but regular changes or significant up- or downswings in the demand for transport?
- Contextualise your views in the light of the seminal paper by Robert G. Harris (1977) on the relationship between cost of transport and traffic density.

**QUESTION 2**

**(45 MARKS)**

Ownership of a national railway is vigorously debated at many forums.

- Identify and critically evaluate at least 3 generic ownership options open to a National Government.
- Under what terms and conditions would you advise the Department of Public Enterprises to privatise or concession Transnet Freight Rail?
- Motivate your response by demonstrating your ability to weigh up the pros and cons that would affect your recommendation.

**QUESTION 3**

**(45 MARKS)**

Given the original mandate to the South African Railways and Harbours as legislated in the Union of South Africa Act (the Act of the Union (1910), Clause 127),

- Discuss the major events (acts and commissions) that favoured rail at the outset as well as the events that were the precursors to full deregulation
- Describe the manner in which the deregulation of transport has made an impact on the development of rail transportation in relation to road transportation in South Africa.
- Contrast your discussion against the Staggers Rail Act of (1980) in the United States of America which was intended to remedy serious financial woes experienced by major American Railroads during the 1960s and 1970s.

**QUESTION 4**

**(45 MARKS)**

Access to a National Rail Infrastructure by operators can vary depending on many factors that are relevant in a particular country.

- Briefly discuss three access options that may be considered by a country, as the custodian of the national rail infrastructure, and
- Elaborate on the pros and cons of each option.
- Illustrate your answer with practical international examples.