



<b>FACULTY/COLLEGE</b>	College of Business and Economics
<b>SCHOOL</b>	Johannesburg Business School
<b>DEPARTMENT</b>	Transport and Supply Chain Management
<b>CAMPUS(ES)</b>	APK
<b>MODULE NAME</b>	Transport Economics 1B
<b>MODULE CODE</b>	TRE21B1
<b>SEMESTER</b>	Second
<b>ASSESSMENT OPPORTUNITY, MONTH AND YEAR</b>	FSAO November 2019

<b>ASSESSMENT DATE</b>	15 November 2019	<b>SESSION</b>	14:00 – 16:00
<b>ASSESSOR(S)</b>	Mr L Jacobs		
<b>MODERATOR(S)</b>	Ms C Celliers		
<b>DURATION</b>	2 hours (120 min)	<b>TOTAL MARKS</b>	100

<b>NUMBER OF PAGES OF PAPER (Including cover page)</b>	6
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**INFORMATION/INSTRUCTIONS:**

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- This is a closed-book assessment.
  - Answer all the questions.
  - Read the questions carefully and answer only what is required.
  - Number your answers clearly and correctly as per the question paper.
  - Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
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**MULSTIPLE CHOICE****30 Marks**

1. A vehicle should be replaced when the maintenance costs exceed the .....
  - A. inventory costs
  - B. parking costs
  - C. toll fees
  - D. capital costs
  - E. operational costs
2. Identify one of the following that is a vehicle replacement method.
  - A. Rational
  - B. Professional
  - C. Institutional
  - D. Formal
  - E. Reasonable
3. Identify one of the following is not a vehicle financing alternative.
  - A. Lease finance
  - B. Instalment sale
  - C. Cash finance
  - D. Rental
  - E. Bonds and stocks
4. Delays in the delivery of shipments and the resultant increased costs can be a result of the .....
  - A. Storage of goods between two points
  - B. Fast movements and low costs
  - C. Smooth transportation
  - D. Low demand for goods
  - E. Vehicle defects
5. The rate at which transport quantity is demanded in response to changes in demand factors is called:
  - A. Mode of transport
  - B. Elasticity of transport
  - C. Quality if transport
  - D. Provision of transport
  - E. Synchronization of transport
6. Economic growth directly affects .....
  - A. Individual growth
  - B. Driver training
  - C. Transport demand
  - D. Company policy
  - E. Vehicle operations
7. One of the major components that can be refurbished in trucks is the .....
  - A. Brakes
  - B. Steering
  - C. Gearbox
  - D. Wheels
  - E. Windscreen
8. One of the reasons for calculating depreciation is .....
  - A. To buy new vehicles
  - B. For tax purposes
  - C. For upliftment
  - D. For record keeping
  - E. For stock taking

9. Truck and motor cars are ..... of the transport business.
- A. Credit instruments
  - B. Capital assets
  - C. Moving tools
  - D. None on the list
  - E. Key indicators
10. Securing funding for vehicles is made difficult by.....
- A. Amounts and risks involved
  - B. The areas where vehicles will operate in
  - C. Managers making wrong decisions
  - D. Experience of drivers
  - E. None of the above
11. Which one of the following is not a traditional investment tool?
- A. Benefit/cost ratio
  - B. Average rate of return
  - C. Payback
  - D. Lending money from reputable institutions
  - E. Net inflows and investment costs
12. The decrease in value of a vehicle is called .....
- A. Inflation
  - B. Depreciation
  - C. Recession
  - D. Fluctuation
  - E. Trip generation
13. Fleet managers must ensure that the right vehicles are purchased for the right job. This process known as?
- A. Vehicle replacement cycle
  - B. Vehicle purchasing
  - C. Vehicle sales
  - D. Vehicle management
  - E. Vehicle maintenance
14. The repair of vehicles as well as the replacement of certain parts should be done by.....
- A. Anyone
  - B. A different manufacturer
  - C. Replacement individual
  - D. Management
  - E. An accredited workshop
15. One of the important aspects when employing a new driver is .....
- A. Recruitment
  - B. Payment
  - C. Transporting
  - D. Promotion
  - E. Value
16. Distribution in transport means the "movement" of ..... from place-of-origin to destination:
- A. Equipment and vehicles
  - B. Substitute products
  - C. People or goods
  - D. Recurring orders
  - E. Powerful individuals
17. The acronym CLM stand for.....:
- A. Council for Logistics Management
  - B. Council for Local Municipality
  - C. Council for Legal Managers

- D. Councils for Line Managers
  - E. Council for Legislative Monitoring
18. The rate at which the .....changes in response to changes in any of the determining factors is known as the elasticity of the demand for transport:
- A. Transport offered
  - B. Road transport
  - C. Transport Monitoring
  - D. Shipping
  - E. Transport quantity demanded
19. The flow of goods at macro (society) or micro (firm) refers to.....respectively:
- A. Society and firm
  - B. Producer and supplier
  - C. Manufacturer and seller
  - D. Trader and producer
  - E. Seller and buyer
20. The ..... and operation thereof lies at the heart of an economical transport service:
- A. Incorrect selection of vehicles
  - B. Low and short term in returns of vehicles
  - C. Correct selection of vehicles
  - D. Low and average in returns of vehicles
  - E. Hi and average returns of vehicles
21. Before selecting vehicles for purchase it is necessary to arrive at a specification of the operation and the .....required.
- A. Fuel
  - B. Payments
  - C. Maintenance
  - D. Body
  - E. Technical characteristics
22. Toxic products that are transported by road can be.....:
- A. Mixed with most products
  - B. Liquid or solid
  - C. Stored in the same containers with edible products
  - D. Loaded on top of flammable products
  - E. Delivered without relevant papers
23. Government deals with road transport mainly through.....:
- A. Availability
  - B. Accessibility
  - C. Liberalization
  - D. Activities
  - E. Legislation
24. Speed, safety, and reliability form part of the.....characteristic of transport.
- A. Qualitative
  - B. Quantitative
  - C. Demographic
  - D. Automatic
  - E. Manual
25. When doing a vehicle specification exercise the starting point is a thorough operational analysis that must be included in the.....:
- A. Vehicle route
  - B. Vehicle tyres
  - C. Vehicle capacity
  - D. Vehicle model

- E. Vehicle design
26. A vehicle can lose power due to high temperatures as well as.....:
- A. High altitude
  - B. Light loads
  - C. Accurate packing
  - D. Level road surfaces
  - E. Low volume cargo
27. The acronym GVM stands for.....:
- A. Government
  - B. Greater Vehicle Monitoring
  - C. Gross Vehicle Mass
  - D. General Vehicle Model
  - E. Granted Vehicle Make
28. The income of people will affect their perception of the .....of transport.
- A. Optimal Supply
  - B. An empty load
  - C. Increased demand
  - D. Market instability
  - E. Cost and service qualities
29. The gross mass of a vehicle is a combination of its.....:
- A. Load and trailer
  - B. Tyres and truck tractor
  - C. Engine and gearbox
  - D. Truck tractor plus semi-trailer
  - E. Make and model
30. Urban transport provision is largely the role of:
- A. Local authorities
  - B. Citizens
  - C. International governments
  - D. Political parties
  - E. Parliamentary bodies

**SECTION A & B**

**(70 MARKS)**

**ANSWER ALL QUESTIONS**

**SECTION A**

**38 Marks**

**QUESTION 1**

Mention and discuss 5 customers' criteria for expected *customer service*. (10)

**QUESTION 2**

Discuss the pending carbon tax and its implications on the transport industry. (10)

**QUESTION 3**

Mention the 8 alternative fuels that have a lesser environmental impact. (8)

**QUESTION 4**

Discuss 5 elements government and road freight transport companies must tackle in relation to the fourth industrial revolution. (10)

**SECTION B**

**QUESTION 5**

**32 Marks**

Discuss the various operational issues that relate to driver training. (10)

**QUESTION 6**

Define the main aim of the AARTO Legislation as well as its 5 different elements in relation to the Demerit System. (12)

**QUESTION 7**

Discuss the components of an annual fleet review. (10)

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