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
Describe and explain the different forms of transport regulation.

(20 marks)

QUESTION 4
Discuss the reasons for public ownership of transport assets.

(15 marks)

QUESTION 5
Discuss the rationale for a public subsidy in transport markets.

(10 marks)