

UNIVERSITY OF FORT HARE

**MARITIME ECONOMICS
ECM321/E**

DEGREE/SUPPLEMENTARY EXAMINATIONS

JANUARY

2025

SUPPLEMENTARY EXAMINATION – QUESTION PAPER

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Time: 180 Minutes
Subject: ECM321E
Marks: 100

This paper consists of three pages including the cover page

Internal Examiners
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Mr Z. Sita

External Examiners
Mr P. Senzangakhona

INSTRUCTIONS

This paper consists of two sections: Section A and Section B.
Section A is Compulsory.

Choose Any Three Questions from section B.

Use clearly drawn diagrams where applicable, write clear and neat.

NB: If you answer all questions, the lecturer will mark only the first three questions from this Section B.

SECTION A [COMPULSORY: 25 MARKS]

QUESTION 1

- 1.1. Explain the reasons why countries trade paying attention to the theories of comparative and absolute advantage and illustrate these concepts using examples related to marine trade. 20 Marks
- 1.2. Briefly discuss what is argued in Rostow's economic theory? 5 Marks
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SECTION B

[CHOOSE ANY THREE QUESTIONS FROM THIS SECTION, EACH QUESTION CARRIES 25 MARKS]

QUESTION 2

- 2.1. Identify and discuss five groups of commodity trades which need to be transported using specialized vessels. In your discussion further discuss why these cargoes must be transported using specialized vessels. (15 Marks)
- 2.2. Discuss the three conditions to be met for successful gas trade, provide relevant examples. (5 Marks)
- 2.3. Distinguish between bulk commodity and bulk cargo. (5 Marks)

QUESTION 3

- 3.1. Discuss the three levels of trade cycles in detail. Analyze the factors that drive each type of cycle and explain how they impact international trade. Use examples to illustrate the effects of these cycles on global economies. (15 Marks)
- 3.2. Discuss the role of economies of scale in sea transport. (10 Marks)

QUESTION 4

- 4.1. Critically analyze Rostow's five stages of economic development, discussing the strengths and limitations of this model in explaining economic growth in both developed and developing countries. Use specific examples to support each of your arguments. (15 Marks)
- 4.2. Minor bulks are the most diverse sector of bulk trades, provide any five of the six groups of minor bulks and provide example for each group. (10 Marks)

QUESTION 5

- 5.1. Use the following statement to explain the difference between oil products and crude oil "the economics of the transport system for oil products is in many ways similar to that for crude oil, but there are some important differences." (5 Marks)
- 5.2. All economic structures play a role when it comes to trade, discuss on how trade relates to the country's general economic structures. (8 Marks)
- 5.3. Identify and discuss three market variables of liner market model. Provide relevant examples for each. (12 Marks)