

UNIVERSITY OF FORT HARE

**Transport Economics
ETE 311/E**

**MAY/JUNE EXAMINATION
2025**

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Time: 3 Hours
Subject: ETE 311/E

Marks: 100

**Examiner:
Mr S Dlwangushe**

**External examiner
Mr P Senzangakhona**

This paper consists of 8 pages including the cover page

INSTRUCTIONS

- *Answer ANY 4 questions.*
- *All questions carry equal marks*

QUESTION ONE

Generally, around the world, investment and financing in the transportation industry can involve various methods. The industry benefits from government support through subsidies and infrastructure development, attracting public and private sector investment.

NB: Discuss transportation funding methods available; the impact of transport investments and challenges they face. **[25 marks]**

QUESTION TWO

Pilanesberg airport in the North West Province will undergo refurbishment and that will boost tourism and the economy of the province. Demonstrate with understanding the project evaluation techniques to be employed before the project commences. **[25 marks]**

QUESTION THREE

The Department of Transport (DoT) in South Africa is responsible for legislation and policies for rail, pipelines, roads, airports, harbours, and the intermodal operations of public transport and freight. As such, it is responsible for conducting sector research, formulating legislation and policy to set the strategic direction of subsectors, assigning responsibilities to public entities, regulating through setting norms and standards, and monitoring implementation.

NB: Briefly discuss the public entities under the Ministry of transport in South Africa. **[25 marks]**

QUESTION FOUR

- a) Discuss consumer surplus and producer surplus with reference to e-hailing transportation services in South Africa. Make use of diagrams. **[15 marks]**
- b) Briefly discuss discrete and continuous variables in reference to transport industry. In your answer provide examples. **[10 marks]**

QUESTION FIVE

Demonstrate how the construction of Ndabakazi Interchange Route on N2 that is currently underway will benefit the community of Butterworth in the Eastern Cape Province.

[25 marks]

QUESTION SIX

6.1 Critically analyse and demonstrate the understanding of transport economics and the modes of transport in South Africa. **[15 marks]**

6.2 Potential costs and revenue of the N2 Wild Coast Road in the Eastern Cape Province and expansion of N2 by Rumdel and WBHO construction companies:

Potential costs and revenue	Rand Value (million)
Death	15
Injury	40
Labour	30
Maintenance	50
<i>Y.ACuser</i>	5
<i>Y.T.VOTT</i>	2
Price	100
Right of way costs (relocation of affected households)	6
Environmental costs	7
Number of roads	2

- a) Use the correct formula to calculate the total cost of N2 Wild Coast Road. **[5 marks]**
- b) Businesses generally maximise profit where the difference between total revenue and total cost is positive. Calculate the π to be made by Rumdel construction company and WBHO construction company. **[5 marks]**

