



MURANGA UNIVERSITY COLLEGE

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

MAIN CAMPUS

ORDINARY UNIVERSITY EXAMINATIONS

2014/2015 ACADEMIC YEAR

SECOND YEAR SECOND SEMESTER EXAMINATIONS

**FOR THE DEGREE
OF
BACHELOR OF PURCHASING AND SUPPLIES MANAGEMENT**

COURSE CODE: HPS 2214

COURSE TITLE: TRANSPORT ECONOMICS

DATE: 20TH APRIL 2015

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

Question ONE (1) is compulsory
Answer THREE (3) questions

MRUC observes ZERO tolerance to examination irregularities

This Paper Consists of 2 Printed Pages. Please Turn Over. ►

QUESTION ONE

- a) Changes in transport demand have significantly affected cities and urbanization movement. Critically examine the factors affecting the demand for transporting freight and passengers (20 marks)
- b) Transport costs are a monetary measure of what the transport provider must pay to produce transportation services. In the light of this statement, discuss the most significant conditions affecting transport costs (10 marks)

QUESTION TWO

- a) Goods and passenger transport is equally important for the region's economic development. Using examples, elaborate this statement. (12 marks)
- b) Explain any four external costs of transportation (8 marks)

QUESTION 3

- a) Traffic congestion is a menace in major towns and cities across the country. Explain some of the major causes of traffic congestion today. (12 marks)
- b) Investment in transport infrastructure has particular features. Discuss these features (8 marks)

QUESTION 4

- a) Discuss the marketing mix elements for transportation services (10 marks)
- b) Describe the various types of pricing strategies for a transport organization. (8 marks)