

CHUKA



UNIVERSITY

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**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF
PROCUREMENT AND LOGISTICS MANAGEMENT AND BACHELOR OF
COMMERCE(PURCHASING)**

BPLM 425: TRANSPORT ECONOMICS

STREAMS:Y4S1

TIME: 2 HOURS

DAY/DATE: THURSDAY 08/07/2021

8.30 A.M – 10.30 A.M

INSTRUCTIONS:

Attempt question one (compulsory) and any other two questions

QUESTION ONE

- (a) Explain 5 circumstances under which air transport would be ideal in Kenyan tourism sector. [10 marks]
- (b) Explain 5 challenges of a monopoly in the Kenyan transport system. [10 marks]
- (c) Enumerate 5 benefits that the government derives from regulating air transport in Kenya. [10 marks]

QUESTION TWO

- (a) Using examples, explain 5 factors affecting the price elasticity for road transport in Kenya. [10 marks]
- (b) Describe 5 difficulties in privatizing the air transport sector. [10 marks]

QUESTION THREE

- (a) Explain 5 negative transport externalities and their impact on the environment.[10 marks]
- (b) Analyze 5 opportunity costs of using transport as storage facilities. [10 marks]

QUESTION FOUR

- (a) Demand for transport is derived demand. Justify this statement using examples.
[10 marks]
 - (b) Explain 5 factors to consider investing in the Kenyan long distant transport services.
[10 marks]
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