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**EXAMINATION FOR THE AWARD OF DEGREE OF
BACHELOR OF PROCUREMENT AND LOGISTICS MANAGEMENT**

BPLM 425: TRANSPORT ECONOMICS

STREAMS: BPLM

TIME: 2 HOURS

DAY/DATE: TUESDAY 10/12/2019

11.30 PM – 1.30 PM

INSTRUCTIONS:

Answer Question One and any other Two

Question 1

- (a) Discuss the concept of scarcity, choice and opportunity cost in transportation. [4 marks]
- (b) The issue of transportation and environmental is a paradoxical in nature, discuss. [10 marks]
- (c) The impact of transport flow, movement planning and management can easily be understood by studying the interaction of the demand and supply in the transport market. Discuss various factors determining the demand for transport. [10 marks]
- (d) Discuss 3 types of benefits that are recognized from the COBA method of appraising roads. [6 marks]

Question 2

- (a) Transport demand tends to be variable in time and space whereas transport supply is fixed when demand is lower than supply, transit time are stable and predictable since transport demand exceeds supply for a period of time. Discuss methods on how excess transport demand can be managed. [10 marks]
- (b) Discuss various non-financial /non-numerical models for evaluating transport investment costs. [10 marks]

Question 3

- (a) Public policy is the means by which governments attempts to reconcile the social political economic and environmental goals and aspirations of society and reality. Discuss consequences of implementing public policies in transport sector. [10 marks]
- (b) Relationships between demand and supply continually change but they are mutually interrelated. Discuss sexual considerations specific to the transport sector which make supply/demand relationships more complex. [10 marks]

Question 4

- (a) Governments have a large number of instruments at their disposal to carry out transport policy. Discuss various policy instruments that are commonly used instrument in Kenya. [12 marks]
 - (b) Define the pay back method as an analytical model, discussing its advantage and disadvantages. [8 marks]
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