

**W1-2-60-1-6**

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

# **UNIVERSITY EXAMINATIONS 2018/2019**

FOURTH YEAR SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF BSCM

**HSM 2214 : TRANSPORT ECONOMICS**

DATE: APRIL 2019 TIME:2 HOURS

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**INSTRUCTIONS: ANSWER QUESTION ONE COMPULSORY AND ANY OTHER TWO QUESTIONS**

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**CASE STUDY**

**QUESTION ONE [30 MARKS]**

Every year on or around September 22nd cities across the globe celebrate World

Car Free Day, encouraging motorists to give up their cars for a day. The event

highlights the numerous benefits of going car-free to citizens including reduced

air pollution and the promotion of walking and cycling in a safer environment.

Car free days are an opportunity for cities to highlight how congested roads can be

used in different ways. Car fee days are a massive opportunity for cities to realize

how much pollution affects our lives. Vehicle emissions are one of the main

sources of outdoor air pollution particularly in cities.

Most cities have been designed around mobility for cars and it is high time we

change this and start designing cities around human mobility. The programme is

centered around the concept that everyone begins and ends their four ways as

pedestrians and in cities some people rely almost extensively on waling and

cycling. Yet, investors and governments continue to prioritize road space for cars.

**Required:**

Use the case study to answer the following questions

1. What is a car free day? [2 marks]
2. What are the benefits associated with a car free day? [10 marks]
3. Why are most Kenyans reluctant in embracing a car free day? [10 marks]
4. From a transport economist point of view can car free days be used to decongest our cities? [8 marks]

**QUESTION TWO [20 MARKS]**

1. Define price discrimination [2 marks]
2. Explain the conditions necessary for price discrimination to exist. [4 marks]
3. How has price discrimination been used in the Kenyan transport sector? Give clear examples. [4 marks]
4. The demand for transport is ‘derived; Discuss this statement fiving clear examples. [10 marks]

**QUESTION THREE [20 MARKS]**

1. The Kenyan transport sector is increasingly facing more and more inefficiencies. What are the causes of these inefficiencies ? [10 marks]
2. How would transport economics help in addressing the above challenges ? [10 marks]