FEEDBACK TUTORIAL LETTER

1st SEMESTER 2019

ASSIGNMENT 2

PRINCIPLES OF TRANSPORT ECONOMICS

PTE511S
Dear Distance students

Congratulations once again on completing Assignment 2 for this semester. You will soon learn that you will reap the fruits of your hard work and that it is important to manage your time successfully if you are studying via distance mode. The thoroughness with which you attempt these assignments will determine the amount of preparation you will have to do for the examination. It is therefore advisable to put in your best and ensure that you have understood the units outlined in the Study Guide on which the two assignments were based.

You are all serious with your studies and that is why despite the difficulty in studying through distance because you are working you are still making commendable attempts at improving your educational levels. This is no mean feat, it is quite remarkable and commendable and speaks volumes of your characters. I am aware that you have been working hard and sweating to ensure full completion of your two assignments.
For those of you who has managed to score above 70% excellent. For those of you who has scored between 50% and 70% well done, but you still have to work a little harder to improve on your grades in the examination. It does not mean it is the end of the path for you if you have not achieved 50%, for those who qualified to go sit for the examination this is your time to embark upon all the areas or points that you missed in the assignments and make sure you understand them thoroughly. Regrettably for those who could not make it to the examination this must not be the end of the journey but a wakeup call for more hard work next year.

Questions specific comments

Please note that, marks were not only awarded for the correct answer, but also for the effort invested in by researching widely on specific topics under discussion and a well presented answer.

Majority of the students lost marks because of plagiarism. Such students simply copied and pasted contents from internet sources and presented them as their own idea, without proper in-text referencing or acknowledge the author. Please consult the APA referencing guideline for future improvement.

Question 1

1.1 Discuss the impacts of negative externalities arising from increased transport use? (10 marks)

This was a very straight forward question which should have been answered with greater accuracy than was. Students answered this question fairly; however, the majority have failed to read the question properly as a result they missed out the point of discussion. Some students’ could not make a distinction between negative impacts of road transportation and negative externalities arise from road transportation. These may sound the same however, the difference is, some negative impacts of road transportation may be beard by the person who is directly involved in the action (customers or transport operators) unlike for negative externality were the cost is borne by the third party.

Your discussion should cover but not limited to the following:

- Traffic congestion
• Road accidents
• Air pollution
• Noise pollution

1.2 With reference to the transport sector, discuss the benefits and drawbacks of using any two out of the following options to correct market failure. (10 marks)

a) Pollution taxes to correct externalities

b) Taxation of monopoly profits

c) Direct provision of public goods, such as defence

The question was answered fairly however Some students did not read the question thoroughly as such they missed the instruction that they should only choose two out of the three options provided to correct market failure. On the other hand, some students heavily depended on internet sources, presented other people’s ideas as theirs without paraphrasing or proper in-text references. Please pay attention to individual comments in your assignment.

Question 2

2.1 “The road Haulage industry in Namibia is clearly one of perfectly competitive market”. Discuss.

This question was a challenge to majority of the students. The question required full understating of market structures and perfectly competitive market structure in particular. Students were expected to unders:and the road haulage industry in Namibia and discuss how that fits to be regarded as a perfectly competitive market structure. Instead Some students ended up discussing the importance of road transportation in Namibia without giving any link to perfectly competitive market structure.
2.2 Evaluate whether road charging should be the chosen method of reducing traffic congestion?

(10 marks)

The question was answered fairly and majority of the students did not have a challenge with this question.

2.3 Given that public transport generates external benefits, there is a strong case for subsidising non-private means of transport, such as bus, coach, tram and rail. In your own words, discuss the effect of a subsidy on public transport?

(10 marks)

Subsidy means a payment form a government to a person or company.

Many subsidies are indeed provided in that form, as grants or, more generically, direct payments.

Given that public transport generates external benefits, there is a strong case for subsidizing non-private means of transport, such as bus, coach, tram and rail transport. The effect of subsidy on public transport is to reduce the costs of supply to the provider. Governments, of any variety, may opt to subsidise.

Key motivations of transport subsidies are the need to provide transport to people who cannot afford it or are who physically or legally incapable of using an automobile, to reduce congestion, land use and emission of local air pollution and greenhouse gasses. Other motives may be related to promote business and economic growth, or urban renewal in formerly deprived areas of the city.

Students answered this question fairly. Unit 6 in your study guide will give you more clear understanding on transport subsidies.

Furthermore, I urge you to read through the first Tutorial Letter, the instructions on page 8 need to be adhered to without any excuse. You also need to thoroughly go through the Study Guide and research widely about the specific aspects of the assignment. Despite having said
that you have to give references at the end of the assignment using APA referencing style, many of us still do not bother to do so.

In conclusion, please be encouraged to work hard, the effort you put to your work will be rewarded and as you are approaching the examination, try to prepare in advance and aim to score high. You can do it if you determinedly put pressure and research a lot.

Please feel free to contact me should you have further questions or concerns

Wishing you all the best for your Examination!!!!!!

Best regards

Ms Hilma Kotti-Nuuyandja

Marker-Tutor (Principles of Transport Economics)