

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF MASTR OF PROCUREMENT
AND LOGISTICS MANAGEMENT

MPLM 851: ECONOMICS OF TRANSPORT AND INFRASTRUCTURE

STREAMS: MPLM

TIME: 3 HOURS

DAY/DATE: TUESDAY 06/04/2021

8.30 A.M. – 11.30 A.M.

INSTRUCTIONS: Answer question ONE and any other TWO

QUESTION ONE (COMPULSORY)

(a) The government of Kenya is thinking of supplying relief food to different parts of the country, however, the government is indifference whether to use air transport or other means of transport. As a procurement expert, inform the government on the merits and demerits of air transport and advise it whether or not to adopt this means in supplying relief food.

[10 marks]

(b) Differentiate between the following terms:

- (i) Modal supply and intermodal supply [2 marks]
- (ii) Stable transport demand and unstable transport demand [2 marks]
- (iii) Transport infrastructure and transport types [2 marks]
- (iv) Own account transportation and third part transportation [2 marks]

(c) Discuss various reasons why transport is important in an economy [8 marks]

(d) Discuss the impacts of transport and infrastructure on the economic systems [9 marks]

(e) Define the term transport yield management, and describe different conditions on which it leans on [5 marks]

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QUESTION TWO

- (a) JOMVU Investment is a multinational corporation intending to invest in Kenya. One of the policy measures is considering the transportation of its goods and services. As an expert in logistics, which factors do you think will determine the demand of transport by JOMVU investment? [10 marks]
- (b) Illuminate the rewards and drawbacks of offering subsidies in passenger transport [10 marks]

QUESTION THREE

- (a) Deliberate on the criticisms associated with the computer based method (COBA) of appraising the roads [6 marks]
- (b) Describe how the concept of scarcity, choice and opportunity cost is helpful in coming up with appropriate policies in the transport sector [6 marks]
- (c) Describe various reasons why the government finds it necessary to implement different policies in transport sector. [8 marks]

QUESTION FOUR

- (a) Define the term public policy [2 marks]
- (b) Describe various policy instruments that can be used by the government in ensuring efficiency in transport systems [10 marks]
- (c) The standard gauge railway as one of the government biggest project is argued to cause more curse than blessing in an economy. As transport economist, argue for or against this statement. Give reasons for your opinion. [8 marks]
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