higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

TRANSPORT ECONOMICS
NQF LEVEL 2

(11020282)

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)
TRANSPORT ECONOMICS
NQF LEVEL 2
TIME: 3 HOURS
MARKS: 100

INSTRUCTIONS AND INFORMATION

1. Answer all the questions.
2. Read all the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. Use only a black or blue pen.
5. Write neatly and legibly.

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SECTION A

QUESTION 1

Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question number (1.1–1.10) in the ANSWER BOOK.

1.1 Transport economic regulation is done to change the allocation of resources and to ensure fair access to all citizens.

1.2 Passenger transportation demand is more complex and comprehensive than freight transportation demand.

1.3 Negative externalities are wide-ranged and are usually environmental.

1.4 Private transport is a transportation mode that is available for use by everyone.

1.5 South African Airways (SAA) is one of the leading carriers in Africa.

1.6 Porter's Five Forces model is one of the best-known models used to analyse competitive forces (Andriotis, 2004).

1.7 Zimbabwe is the world's largest producer and exporter of gold and platinum.

1.8 Maritime transportation is the most important global freight distribution mode.

1.9 Air transport is still the main mode of transport for both passengers and freight.

1.10 Gauteng aims to reduce the number of private cars on the road between Pretoria and Johannesburg.

(10 × 1) **[10]**

QUESTION 2

Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A–F) next to the question number (3.1–3.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
2.1	Aims to reduce the number of private cars on the road by using rail and having world class quality service between Pretoria and Johannesburg	A	macro-economic objectives
2.2	Aims to address inadequate access to issues of access to emergency services and emergency services	B	transport supply
2.3	Capacity of transport infrastructure and modes, generally over a geographically defined transport system	C	Gautrain
2.4	Income level, standard of living and age	D	Reconstruction and Development Programme
2.5	The conveyance of cargo in container or vehicle by any public or private transport mode	E	demographic factors
		F	freight

(5 × 1) **[5]**

QUESTION 3

Define the following terms, which are predominantly used in the transport industry. Write only the definition next to the question number (3.1–3.5) in the ANSWER BOOK.

3.1 Express taxi

3.2 Bus Rapid Transit System

3.3 Mobility map

3.4 Export

3.5 Free market

(5 × 2) **[10]**

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QUESTION 4

What do the following acronyms stand for?

4.1 IDP

4.2 UN

4.3 MDG

4.4 ACSA

4.5 IT

(5 × 1) **[5]**

TOTAL SECTION A: 30

SECTION B

QUESTION 5

SA E-HAILING DRIVERS STRUGGLE DUE TO BELOW MINIMUM WAGE AMID RISING COSTS

E-hailing drivers in South Africa often earn less than the minimum wage of R27,58 per hour because their income is eroded by rising fuel prices, vehicle rental fees and increased commissions.

This is according to Vincent Lilane, business development representative at global mobility platform inDrive.

In South Africa, e-hailing services are dominated by Uber, a multinational American company, and Bolt, an Estonian mobility company that also operates in multiple countries across the globe.

Lilane says it is critical that fair pricing is achieved for both e-hailing drivers and passengers.

'South African drivers need to work longer hours to compensate for their low income and this could impact driver well-being and potentially also compromise customer safety.'

inDrive estimates that around 21% of the South African population now uses e-hailing services. The industry is projected to grow even further to serve a user base of 14.38 million people by 2028, says Lilane.

Safety concerns

'The rapid growth of ride-hailing in South Africa has coincided with a concerning rise in threats to the safety of both drivers and riders across all operators in this space, tarnishing the reputation of the entire industry as a result.

Unfortunately, this isn't unique to South Africa, as similar incidents are reported globally,' Lilane says.

He acknowledges safety challenges in the industry, including insufficient driver background checks, lax enforcement of vehicle maintenance, and passenger harassment of drivers.

The industry hopes the recently signed National Land Transport Amendment Act will have a positive impact on the earnings of e-hailing drivers. The legislation, among other things, brings long-anticipated recognition to e-hailing services and provides clarity on how businesses should operate.

Lilane, however, believes e-hailing drivers should have more autonomy over determining prices.

'Driver control over pricing could also benefit passengers. This would allow them to access more competitive fares, a critical factor during the current cost-of-living crisis where affordable transportation is a major concern.'

Besides giving drivers more control over pricing, Lilane is of the view that the e-hailing companies should reintroduce – and expand – incentive programmes and bonuses as a way to reward their drivers.

'Eighty-five percent of drivers have indicated that bonuses and rewards are essential to their earnings.'

Beyond passenger transport

Lilane says there is also scope for expanding e-hailing services beyond merely passenger services.

'Currently, the freight and cargo market, particularly in remote areas, faces significant gaps,' he says.

'E-hailing platforms can … fill this void and connect businesses and individuals with reliable cargo transportation solutions.

'This could not only create new income avenues for drivers but also contribute to a more streamlined and accessible logistics network across South Africa.'

5.1 Use the information above to answer the questions below:

5.1.1 Define the term *e-hailing.* (2)

5.1.2 Identify THREE companies that operate within the e-hailing passenger transport environment. (3)

5.1.3 Give TWO companies that provide food delivery services in the e-hailing environment. (2)

5.1.4 Name FOUR challenges faced by the e-hailing industry. (4 × 2) (8)

5.1.5 Give the regulation that the e-hailing environment hopes will solve their challenges. (1)

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5.1.6 According to the article, what is the ONE solution that would address the challenge of lack of control over pricing that drivers experience? (2)

5.2 Name TWO transport problems inherited from apartheid. (2 × 2) (4)
[22]

QUESTION 6

6.1 Define *transport system.* (2)

6.2 Name FIVE factors that influence competition in the transport environment. (5 × 2) (10)

6.3 Rail transport is said to be the solution for freight transport in South Africa.

6.3.1 Identify FOUR advantages of using rail transport. (4 × 2) (8)

6.3.2 Identify TWO products that are mined in South Africa. (2)

6.3.3 Give TWO goods imported by South Africa. (2)

6.3.4 Name TWO industry market players in the rail transport industry. (2)

6.3.5 Identify FIVE aspects a transport company must consider to be part of the international trade arena. (5)
[31]

QUESTION 7

7.1 Explain the following concepts:

7.1.1 Direct impact of transport

7.1.2 Indirect impact of transport (2 × 2) (4)

7.2 Name THREE factors that can handicap a country as regards its competitiveness in the transport industry. (3 × 2) (6)

7.3 Identify ONE type of vessel employed in water transport. (1)

7.4 Discuss TWO regulatory objectives of transport. (2 × 3) (6)
[17]

TOTAL SECTION B: 70
GRAND TOTAL: 100

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