higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

TRANSPORT ECONOMICS
NQF LEVEL 4

12 November 2024

This marking guideline consists of 6 pages.

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SECTION A

QUESTION 1

1.1 B
1.2 B
1.3 B
1.4 C
1.5 A

(5 × 1) **[5]**

QUESTION 2

2.1 True
2.2 True
2.3 False
2.4 True
2.5 True

(5 × 1) **[5]**

QUESTION 3

3.1 D
3.2 A
3.3 C
3.4 E
3.5 F

(5 × 1) **[5]**

QUESTION 4

4.1 destinations
4.2 price inelastic
4.3 profit
4.4 transport supply
4.5 containers

(5 × 1) **[5]**

TOTAL SECTION A: 20

SECTION B

QUESTION 5

5.1
- Source of demand: Consumer
- Source of supply: Transport providers
- Legislative bodies (Any 2 × 1) (2)

5.2
- Fixed indirect costs✓ − include costs or activities that stay the same or are fixed for a certain project.✓✓
- Recurring indirect costs✓ − are the costs or activities that keep on being repeated, no matter what transport good or service project is being offered.✓✓ (2 × 3) (6)

5.3
- Surcharges
- Trade imbalances
- Economies of trade
- Infrastructure
- Geography
- Type of product
- Energy
- Mode
- Competition and regulation
- demographics (Any 3 × 1) (3)

5.4
- Transport rates influence the price of various activities and the cost burdens of different locations and groups.
- Transport rates have a positive impact on the land development location.
- Transportation contributes to economic activities which have an effect on production and distribution across the country.
- Transport industry and all related business lead to productivity, employment and profits. (4 × 2) (8)

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5.5

PERFECT COMPETITION✓	MONOPOLY✓	OLIGOPOLY✓
All transport consumers are treated the same.✓✓	Discrimination may be between transport consumers.✓✓	All transport consumers are treated the same.✓✓
It is easy to enter the market.	Because of restrictions new service providers cannot enter the market.	There are only a few service providers because of high barriers to entry.
Many transport service providers.	Only one transport service provider.	A few small transport service providers.
No restrictions to supply.	Service provider may change or restrict supply.	Transport services are almost identical to each other.
Rates are determined by supply and demand.	Transport service provider sets and changes rates.	Transports service providers set service rates.

(Accept any other relevant answers) (3 × 3) (9)
[28]

QUESTION 6

6.1
- Changes in population distribution.✓
  More people move from rural areas to urban areas, therefore population becomes redistributed and more townhouse complexes are built.✓✓
- Change in social habits.✓
  As people retire or earn a higher income, they tend to take more trips for leisure purposes.✓✓
- Peak demand.✓
  When there is the highest demand for transport services, and this may include different times of the day.✓✓
- Change in competitor's services or prices.✓
  Service providers can offer new services or lower prices because new technology is developed and infrastructure is improved. ✓✓ (4 × 3) (12)

6.2
- Bulk carriers
- Passenger vessels
- General cargo ships
- Roll-on/Roll-off ships (Any 2 × 1) (2)

6.3 It is the traffic that flows fairly freely in one part of the transport system or on the bigger bottom part of the bottle,✓✓ but there is congestion and delays in another part or the thinner part of the bottle.✓✓ (4)

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6.4 Is the price at which transport service providers are willing to offer or sell their services at a profit and the price that transport consumers are willing to pay for the transport service following their need to pay the lowest possible price. (2)

6.5
- Internal costs:
  The costs that the consumer must cover and are also called user or private costs.
- External costs:
  These costs are covered by service providers, government or private organisations and others.
- Social costs:
  The total cost of providing transport services to society. (3 × 3) (9)

[29]

QUESTION 7

7.1
- Congestion delays: more roads gave users more options
- Vehicle operating costs: costs were reduced by using shortest route
- User travel time: travel times were cut thus saving costs

(Any 2 × 1) (2)

7.2
- Road pricing.✓
  It is used to collect money or revenue and also to manage congestion.✓✓
- Value pricing.
  Drivers learn about the value or benefits of paying road prices.

(Any 1 × 3) (3)

7.3
- Transport consumers can take advantage of the best service and performance characteristics of the different modes of transportation.
- The transport service may be cheaper or offered at a lower cost by using different modes of transportation across different areas and terrains.
- Different modes of transportation may also offer a more efficient and faster transport service. (Any 2 × 2) (4)

7.4 The process starts with the planting of seedbeds to harvesting the dry leaves,✓✓ they are then transported by road transport to the factory✓✓ to be blended, flavoured and packaged. ✓✓ Closed Road transport will be used to transport them to the shops where the customers will be able to buy the end product.✓✓ (8)

7.5 7.5.1
- It is responsible to improve safety and security of international shipping.
- Protects marine environment from pollution by ships.

7.5.2 It encourages cooperation in civil aviation activities in Africa.

(2 × 2) (4)

7.6
- Attracting foreign investments
- Developing and promoting local direct investment (2)

[23]

TOTAL SECTION B: 80
GRAND TOTAL: 100

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