

**TRL201X
RTL201V**

May/June 2010

TRANSPORT MANAGEMENT (TRANSPORT ECONOMICS 201)

Duration 2 Hours

70 Marks

EXAMINERS

FIRST

SECOND

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PROF A BRITS

This paper consists of 16 pages.

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INSTRUCTIONS:

THIS IS A FILL IN EXAMINATION - WRITE YOUR ANSWERS IN THIS BOOKLET AND
HAND IT IN TO THE INVIGILATOR WHEN YOU ARE DONE.

THIS EXAMINATION PAPER CONSISTS OF:

**SECTION A: COMPULSORY MULTIPLE CHOICE QUESTIONS
(20 MARKS)**

**SECTION B: COMPLETE ANY TWO (2) OF THE THREE (3) LONG QUESTIONS
(50 MARKS)**

TOTAL OF 70 MARKS

[TURN OVER]

SECTION A**ANSWER ALL THE QUESTIONS IN THIS SECTION
TOTAL OF 20 MARKS****QUESTION 1****Read each statement carefully and then choose the correct option.****Indicate your chosen answer by colouring the corresponding letter next to the correct option.****For example: [C]**

- 1 1 An effective transport system must create place, time, price and quality utility to satisfy customers. An ice cold Coke in the middle of the desert has much more value than the same item at the North Pole. This is an example of (1)

[A] Place utility
[B] Time utility
[C] Quality utility
[D] Price utility

- 1 2 Which one of the following factors of transport processes ensures that everything works together to move people and goods at the lowest cost in order to meet the community's transport needs? (1)

[A] Technology
[B] Economy
[C] Environmental demand
[D] Coordination

- 1 3 The combination of the modes of transport characterised by high fixed costs and low variable costs are known as (1)

(i) Pipeline transport
(ii) Road transport
(iii) Rail transport
(iv) Water transport

The correct answer is

[A] (i) and (ii)
[B] (i) and (iii)
[C] (ii) and (iv)
[D] (iii) and (iv)

- 1 4 One of the impacts of technology on transport management where businesses attempt to maximise user satisfaction whilst minimising the overall cost levels is known as (1)

[A] Technology improvement
[B] The relationship between technology, economics and design
[C] Technology and service quality
[D] The relationship between economics, value and design

[TURN OVER]

- 1.5 Which one of the following factors of competition refers to the ratio between the fixed and variable cost components that makes up total cost? (1)
- [A] Size of the enterprise
 - [B] Cost structure
 - [C] Market withdrawal
 - [D] Life cycle of the product
- 1.6 One of the four phases in the economic cycle that compels managers to limit expansion by postponing fleet purchases and other capital expenditure is known as the (1)
- [A] Growth phase
 - [B] Boom phase
 - [C] Recession phase
 - [D] Depression phase
- 1.7 One of the criteria used to measure efficiency that depends not only on the efforts of the operations function but also largely on those of the marketing function is known as (1)
- [A] Cost criteria
 - [B] Labour input criteria
 - [C] Service utilisation
 - [D] Income criteria
- 1.8 The monetary value of the currency of one country expressed in terms of the currency for another country is known as (1)
- [A] Exchange rate
 - [B] Exchange value
 - [C] Exchange policy
 - [D] Exchange means
- 1.9 Which one of the following variables which affect the turnover budget refers to the volume and nature of traffic to be carried at various rates? (1)
- [A] Vehicle capacity and utilisation
 - [B] Volume and nature of traffic
 - [C] Value and nature of traffic
 - [D] Quality and nature of traffic
- 1.10 Which one of the following combinations of the practical factors for transport scheduling refers to traffic congestion and perishability? (1)
- (i) Terrain factors
 - (ii) Characteristics of goods
 - (iii) Vehicle fleet characteristics
 - (iv) The time available
- The correct answer is
- [A] (i) and (ii)
 - [B] (i) and (iii)
 - [C] (ii) and (iv)
 - [D] (iii) and (iv)

[TURN OVER]

- 1 11 One of the principles of determining tariffs which is the additional cost of operating an extra unit such as a kilometre or ton-km is known as (1)
- [A] Individual total cost coverage principle
 [B] Marginal cost coverage principle
 [C] The value of service principle
 [D] The quality of service principle

Use the following scenario to answer question 12

Rhulani opened a fleet company that transports goods/services of various companies. He decided to implement control processes in order to properly manage his business.

- 1 12 Which one of the following control process combinations formulate objectives and ensure accurate and reliable information? (1)
- (i) Setting standards
 (ii) Taking correction action
 (iii) Evaluating and analysing deviations
 (iv) Measuring actual performance

The correct answer is

- [A] (i) and (ii)
 [B] (i) and (iii)
 [C] (iii) and (iv)
 [D] (i) and (iv)
- 1 13 Management decisions on vehicle replacement, maintenance schedules and incentives for drivers should be based on information generated by the control system. Which one of the following quality control standards apply to the statement above? (1)
- [A] Control of vehicle movement
 [B] Control of cost, income and utilisation
 [C] Requirements for operations control system
 [D] Requirements for a value control system (1)
- 1 14 Which two of the following serves as a purpose for cash budgets?

- (i) Indicate the potential cash position in relation to the planned activities
 (ii) Checking the accuracy of figures regularly
 (iii) Determine a sound credit basis
 (iv) Ensuring overspending of cash in the business

The correct answer is

- [A] (i) and (ii)
 [B] (i) and (iii)
 [C] (ii) and (iv)
 [D] (iii) and (iv)

[TURN OVER]

1.15 What is the following depreciation method called? The simplest method for calculating depreciation that is based on the fact that depreciation is higher during the first few years and the formula employed is based on fractions **(1)**

- [A] The straight line method
- [B] The reducing balance method
- [C] The sum of the year digits method
- [D] The double reducing balance method

1.16 The costs that the operator anticipates and calculates to allow for changes in operating activities and reflects on the turnover budget are known as **(1)**

- (i) Avoidable costs
- (ii) Unit costs
- (iii) Variable costs
- (iv) Standard costs

The correct answer is

- [A] (i) and (ii)
- [B] (i) and (iii)
- [C] (ii) and (iv)
- [D] (iii) and (iv)

1.17 One of the combinations of the user requirements on the demand for transport that describes the ability to perform according to expectations as well as how often the enterprise offers services is known as **(1)**

- (i) Reliability
- (ii) Frequency
- (iii) Liability
- (iv) Regularity

The correct answer is:

- [A] (i) and (ii)
- [B] (i) and (iii)
- [C] (ii) and (iv)
- [D] (iii) and (iv)

1.18 Which one of the following cost concepts in transport includes energy consumption, maintenance costs and the cost of tyres? **(1)**

- [A] Licence costs
- [B] Insurance costs
- [C] Energy costs
- [D] Running costs

[TURN OVER]

1.19 "The function of an enterprise that concerns itself with activities designed to identify the needs of consumers/users and to direct the flow and transfer the need-satisfying goods and services to such customers" is the definition of **(1)**

- [A] Marketing function
- [B] Market research
- [C] Market segmentation
- [D] Market instrument

1.20 Which two elements are relevant? The time needed to load and unload commodities and an important consideration in passenger transport which is enforced by law are known as **(1)**

- (i) Speed
- (ii) Safety
- (iii) Suitability
- (iv) Reliability

The correct answer is

- [A] (i) and (ii)
- [B] (ii) and (iii)
- [C] (iii) and (iv)
- [D] (i) and (iv)

SECTION A TOTAL [20]

[TURN OVER]

SECTION B

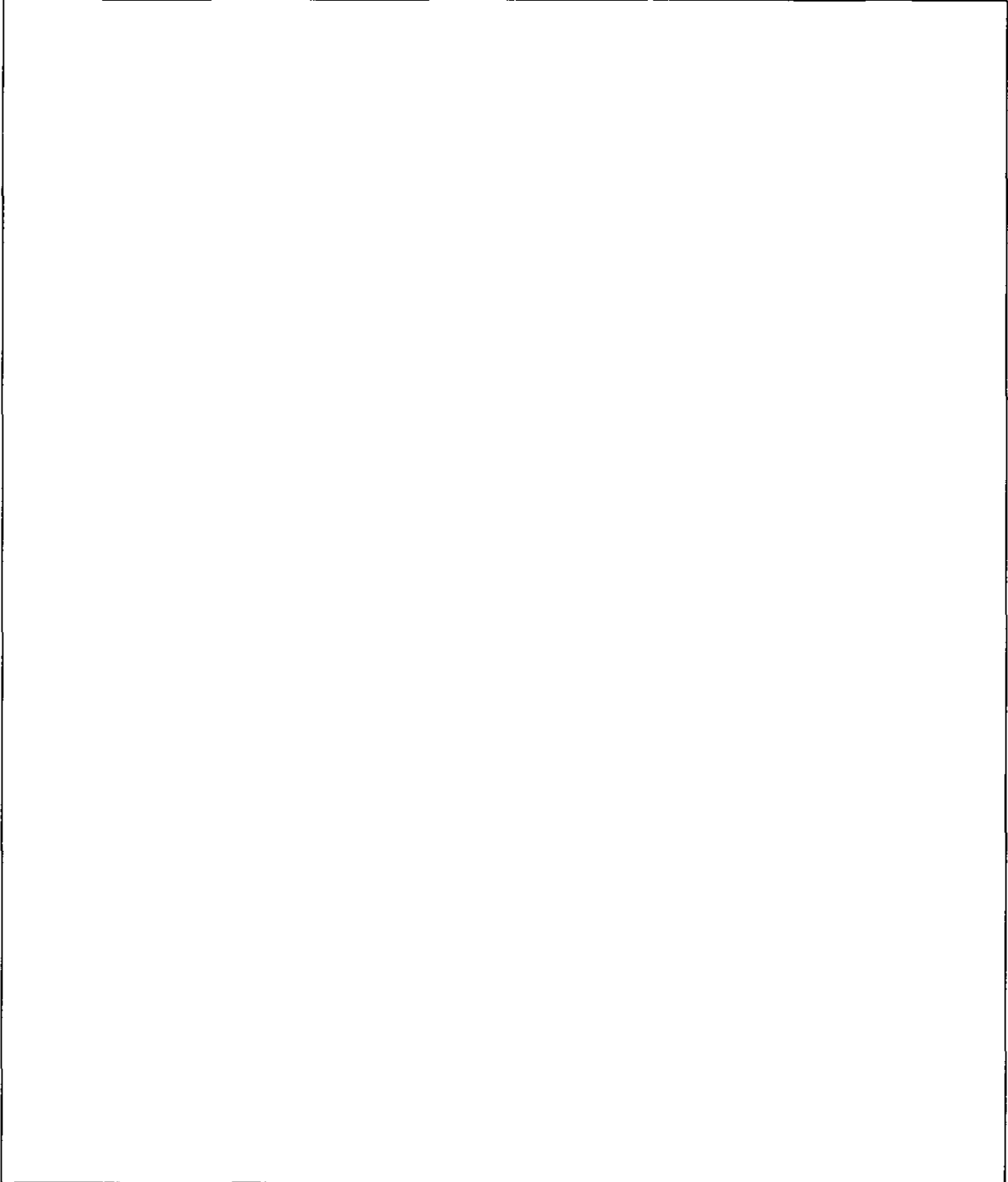
**ANSWER ANY TWO (2) OF THE THREE (3) QUESTIONS IN THIS SECTION
TOTAL OF 50 MARKS**

**PLEASE NOTE: ONLY THE FIRST TWO (2) QUESTIONS WILL BE MARKED IF
YOU ANSWERED ALL THREE (3) QUESTIONS IN THIS SECTION**

QUESTION 2

2 1 Name and explain the characteristics of transport management (9)

- 3.3** Illustrate by means of a schematic presentation and briefly explain the forces that influence competition in the market **(10)**



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