

TRANSPORT ECONMICS  
LEVEL 4  
2020

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STARTING FROM PAGE 4

CONTINUATION FROM WHERE WE LEFT OF BEFORE LOCKDOWN

# TOPIC: THE TRANSPORT SERVICE MARKET AND ECONOMY. (PAGE 4)

## Learning Outcomes:

- Define and explain, with industry examples, the following key concepts: Transport market, demand and supply, elasticity principle, demand elasticity, pricing, rates.
  - Explain demand and supply in a transport context with reference to their interrelation.
  - Indicate how need or demand for transport is determined and how it influences supply of transport services
  - Describe the factors that influence supply of transport services (e.g. complicated).
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# PAGE 4

- Read from page 4 Transport Market until page 16. This part I have already covered in class, you should make notes.
- Read from page 16 Determining transport demand until page 30, you should also make notes.
- Do Activity 1: Concepts and economic principles on page 30.

# PAGE 30

Continuation of Activity 1.

- Complete the following table by explaining the key concepts listed in the table. In the last column, give examples of each.
- Transport market
- Demand and supply
- Elasticity principle
- Demand elasticity
- Pricing
- Rates

# PAGE 31-32

- Explain what demand and supply mean within a transport context and show how they relate to each other.
  - Explain how you can determine the demand for transport. Look carefully at the following factors and give examples of each: Do all the factors listed below.
  - Describe factors that can influence the supply of transport services.
  - Explain the effect of elasticity on provision of transport services. Refer to individuals and service providers in your explanation.
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# TOPIC: COST ELEMENTS IN THE TRANSPORT INDUSTRY. (PAGE 33)

## Learning Outcomes:

- Explain different costing models and principles in terms of examples in the transport industry.
  - Differentiate between direct and indirect costs in the transport.
  - Explain the impact of market demand on the cost and pricing of transport services.
  - Illustrate the pricing and costing concepts in transport graphically.
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# PAGE 33

- Read from page 33 Costing models and principles until page 44. Make notes.
  - Read from page 45 Pricing and concepts until page 59. Make notes.
  - Do Activity 2: Cost Elements in the transport industry. On page 59.
  - Discuss different costing models and principles in terms of examples in the transport industry. Discuss accounting and statistical.
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# PAGE 60

- Differentiate between direct and indirect costs in the transport industry.
- Explain the impact of market demand on the cost and pricing of transport service.
- Draw graphs to illustrate the pricing and costing concepts in transport.
- Illustrate any three of the following concepts: Total costs, fixed and variable costs, marginal costs, average costs, Long-run average costs, short-run average costs, shared costs and Long-run costs and short-run costs.



# TOPIC: COSTS OF PROVIDING TRANSPORT SERVICES. (PAGE 61)

## Learning Outcomes:

- Describe, with examples, the types of transport services that can be delivered.
- Explain and tabulate cost elements and variables when providing these transport services.

# PAGE 61

- Read from page 61 Types of transport services until page 78. Make notes.
- Read from page 78 Economic/ Cost variables in each transport mode until page 82.
- Do Activity 3 Types of transport services. (page 82)
- Discuss the following: passenger transport services- air and road
- passenger transport services- air and maritime
- freight transport services air

# PAGE 82 CONTINUATION

- freight transport services- truck
- freight transport services- rail
- freight transport services- maritime
- freight transport services- inland/ coastal and pipeline

# PAGE 83

- Individual Activity 2
- Divide the cost variables.
- complete the table and write the explanation.
- Geography, Types of product, Economies of scale, Energy, trade imbalances, Infrastructure, Mode, competition and regulation, surcharges.

# SUMMARY

- Make your own notes while studying.
- I expect you to be done with the studying and the activities on Friday 17 April 2020.
- Corrections of will be provide on Monday 21 April 2020

# MOTIVATION

YOU ARE CAPABLE NEVER DOUBT YOURSELF, IT MIGHT SEEM DIFFICULT AT FIRST BUT TAKE THAT ONE STEP YOU WILL NEVER LOOK BACK. REMEMBER GUYS WE BOTH AGREED THAT WE WILL GET 100 PERCENT PASS RATE NOT WITH JUST AVERAGE MARKS BUT 80 PERCENT UPWARDS, I TRUST AND BELIEVE IN YOU ALL THAT YOU WILL NEVER LET ME DOWN AS I WILL ALSO MAKE SURE THAT I DON'T LET YOU DOWN BY BEING AVAILABLE TO YOU WHENEVER YOU NEED ASSISTANCE.

MAY THE ALMIGHTY GOD BLESS YOU.