



ADVANCED GCE
ECONOMICS
Transport Economics

F584

Candidates answer on the question paper.

OCR supplied materials:

None

Other materials required:

- Calculators may be used

Friday 17 June 2011
Afternoon

Duration: 2 hours



Candidate forename		Candidate surname	
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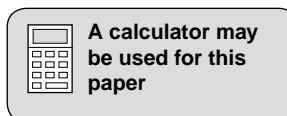
Centre number						Candidate number				
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INSTRUCTIONS TO CANDIDATES

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- Write your answer to each question in the space provided. If additional space is required, you should use the lined pages at the end of this booklet. The question number(s) must be clearly shown.
- Answer Section A and **one** question from Section B.
- Do **not** write in the bar codes.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **60**.
- The quality of your written communication will be taken into account in the marking of your answer to Section B.
- This document consists of **16** pages. Any blank pages are indicated.



2

Section A

Answer **all** questions.

Best practice in the delivery of integrated transport

Faced with predictions of rising car ownership, the UK government has promoted integration as a way of delivering a more sustainable transport policy. Studies from elsewhere in Europe show that there are several key features involved in an integrated transport policy. These are:

- the creation of a single public transport authority responsible for the planning and co-ordination of public transport which is then able to oversee the introduction of ‘through ticketing’ 5
- drivers need to be offered the alternative of high quality public transport in order to encourage them to switch from their cars to buses or other forms of public transport
- significant investment in infrastructure and rolling stock with the need to support well maintained, modern vehicle fleets 10
- successful inter-modal integration with, for example, greater use of ‘park and ride’ facilities and the development of ‘bike and ride’ schemes at stations.

Overall, such policies involve significant investment from both the public and private sectors in the funding for infrastructure provision and rolling stock, as well as public sector revenue support schemes, such as fare subsidies. 15

One study of integrated transport policies compared Stuttgart (Germany) with Edinburgh and Bristol.

Fig. 1: A comparison of Stuttgart with two UK cities

	Stuttgart	Edinburgh	Bristol
Car ownership (cars per 1000 population)	502	373	375
Car modal share (as a % of all trips taken)	47	57	64
Sulphur dioxide emissions (tonnes per year)	1255	5352	3067
Nitrous oxides emissions (tonnes per year)	8027	10849	8373

Key successes in Stuttgart include:

- growth in the use of public transport. This has been sustained due to the introduction of a common fare structure, the use of ‘through ticketing’ and the continual upgrading of the public transport fleet; 20
- promotion of public transport and support for other initiatives, such as car pooling have succeeded in reducing the modal share accounted for by car use;
- all new stations have been built on an ‘open air’ design with sheltered seating to create a brighter, more pleasant waiting environment for passengers.

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1 (a) Explain what is meant by the term 'sustainable transport policy'.

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(b) Using Fig. 1, what evidence is there to suggest that Stuttgart has been more successful than Edinburgh or Bristol in reducing reliance on the car?

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(c) (i) State **two** factors which the UK government might use in forecasting road transport demand. Explain how each of these factors affects the future demand for road transport.

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(ii) State and explain **two** problems which the UK government may have in making such forecasts.

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(d) The information in the case study refers to the need for greater public and private sector investment in infrastructure, rolling stock and also for public sector revenue support schemes.

(i) Using a diagram, comment on the impact of a subsidy to public transport operators.

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Section B

Answer **one** question.

- 2 (a) Analyse how barriers to entry determine the degree of competition in transport markets. [15]
- (b) Discuss the extent to which the UK bus market is contestable. [20]
- 3 (a) Analyse, using a diagram, the negative externalities arising from increased air transport use. [15]
- (b) Discuss whether increased taxation or changes in regulation would be more successful in solving the market failures arising from negative externalities caused by increased air transport use. [20]
- 4 (a) Analyse the benefits arising from the construction of new trunk roads and motorways. [15]
- (b) Discuss the effectiveness of the COBA method of appraisal in determining the allocation of resources to road building. [20]

Section B Total: [35 marks]

Paper Total: [60 marks]

Section B

Question No.

Start your answer to part **(a)** here

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