**MAKERERE UNIVERSITY BUSINESS SCHOOL**

**FACULTY OF ENERGY, ENERGY AND MANAGEMENT SCIENCE, (FEEMS) DEPATMENT OF APPLIED ECONOMICS SEMESTER I, ACADEMIC YEAR 2025/ 2026**

Program: **Bachelor of Transport and Logistics Management**

Year of study:  **II**

Course: **Transport Economics and Finance**

Course Code:  **FIN2107**

Contact hours per week: **4**

**Lecturers:** Ronett Atukunda, PhD [ratukunda@mubs.ac.ug](mailto:ratukunda@mubs.ac.ug)

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**COURSE OUTLINE**

**Course Description**

This course introduces the students to how economics can be used to overcome current problems in the transport sector

**Course Objective**

To demonstrate an understanding of the fundamental concepts underlying the economics of transportation such as demand for and supply for transport, direct and external costs of transport, economic structure of transport and policy, pricing in transport and investment in transport

**Learning Outcome**

By the end of this course, the participating students should:

* Explain efficiency and equity as applied to allocation of resources in the financial sector
* Use the concepts of MC and MR to analyse policy decisions in transport
* Evaluate the benefits of projects using such methods as the CBA
* Discuss the core concepts of investment and finance decisions in the transport industry
* Evaluate the impact of effective and efficient financial management in the transport sector

**Attendance**

Students are supposed to attend all the lectures conducted during the semester.

**Assessment**

Test I 15%

Test II 15%

Final Examination 70%

Final Mark 100%

**Method of Instruction**

* Straight Lectures and online lectures
* Group discussions 1
* In- class Presentations - Assignments

**Course Outline**

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| **No** | **Topic** | **Sub-Topics** | **Week (s)** | **Resource Person** |
| **1** | **Introduction to Transport Economics & local and regional economic development** | * Introduction * Transport Challenges in East Africa (15 min) * Basics of Microeconomics: Efficiency & Equity | **1** | Dr. Atukunda |
| **3** | **Basics of Microeconomics - Efficiency and Equity** | * Efficiency: Maximizing total social welfare (benefits minus costs) for society as a whole. * Equity: Fair distribution of benefits across population groups. * Application to Transport: | **3** | Dr. Atukunda |
| **2** | **Demand and supply for Transport** | * Demand for transport * Supply for transport * Market Equilibrium in Competitive Markets | **2** | Dr. Atukunda |
| **3** | **Cost management in transport** | * Cost and basic criteria for their division control of transport companies * Macro-economic aspects of cost transportation costs- the cost of transport enterprise | **4&5** | Ms. Kirabo |
| **4** | Transport markets and policy | * Perfect / Imperfect Competition in Transport Markets (contestable and non-contestable markets) * Transport policy and regulation in Uganda | **6 &7** | Ms. Kirabo |

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| **Coursework 1** |

**Reading List**

Blauwens, G., De Baere, P., and Van de Voorde, E. Transport Economics. Fifth Edition, Uitgeverij De Boeck, Antwerp, 2012.

Boyer, K.D., Principles of Transportation Economics, Reading, Mass: Addison Wesley Longman, 1998.

Button, K.J., Transport Economics, Edward Elgar, 1993.

Winston, C., "Conceptual developments in the economics of transportation: An interpretive survey", Journal of Economic Literature XVIII(1), 1985, 57-94.

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Bigham, TG & Roberts, MJ, 1952. Transportation-Principles & Problems. New York, McGraw Hill

Bonsor, NC 1984, Transport Economics: Theory & Canadian Policy. Toronto, Butterworths

Quinet, E. and R. Vickerman (2004), Principles of Transport Economics, Cheltenham and Northampton, Mass:

Edward Elgar.

Small, K.A. and E.T. Verhoef (2007), The Economics of Urban Transportation, Second Edition, London and New York: Routledge. .

Oum, T.H., W.G. Waters II and J-S. Yong (1992), "Concepts of price elasticities of transport demand and recent empirical estimates: an interpretative survey", Journal of Transport Economics and Policy 26(2), 139-154 and 164169.

Graham, D.J. and S. Glaister (2002), “The demand for automobile fuel: a survey of elasticities”, Journal of Transport Economics and Policy 36, 1-25.

Brons, M., E. Pels, P. Nijkamp and P. Rietveld (2002), "Price elasticities of demand for passenger air travel: A meta- analysis", Journal of Air Transport Management 8(3), 165-175.

Victoria Transport Policy Institute, “Transportation elasticities: How prices and other factors affect travel behavior, TDM Encyclopedia (http://www.vtpi.org/tdm/tdm11.htm)

Wardman, Mark (2001), “A review of British evidence on time and service quality valuations”, Transportation Research 37E, 107-128.

Redmond, L.S. and P.L. Mokhtarian (2001), "The positive utility of the commute: modeling ideal commute time and relative desired commute", Transportation 28(2), 179-205.

Richardson, A.J. (2003), “Some evidence of travelers with zero value of time”, Transportation Research Record 1854, 107-113.

Mokhtarian, P.L. and I. Salomon (2001), “How derived is the demand for travel? Some conceptual and measurement considerations”, Transportation Research A 35A, 695-719.

Small, K.A. and J.A. Gomez-Ibanez (1999), "Urban transportation", in P. Cheshire and E.S. Mills (eds.), Handbook of Regional and Urban Economics 3, Amsterdam: North-Holland, Sect.

Braeutigam, R.R. (1999), “Learning about transport costs”, Chapter 3 in Gomez-Ibanez, J.A., W.B. Tye and C. Winston, eds., (1999), Essays in Transportation Economics and Policy: A Handbook in Honor of John R. Meyer, Brookings Institution, 57-98.

Arnott, R. and K.A. Small, K.A. and J.A. Gomez-Ibanez (1999), "Urban transportation", in P. Cheshire and E.S. Mills (eds.), Handbook of Regional and Urban Economics 3, Amsterdam: North-Holland, Sect.

De Palma, A. and R. Lindsey (2000), "Transportation: Supply and congestion", International Encyclopedia of the Social & Behavioral Sciences, N.J. Smelser and P.B. Baltes (eds.), Oxford: Pergamon, Vol. 23, 2001, 15882-8.

Winston, C. (1991), "Efficient transportation infrastructure policy", Journal of Economic Perspectives 5(1), Winter, 113- 127.

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Team leader/Internal Examiner Head of Department