ACADEMIC YEAR 2023 - 2024

Program	Year	Semester	Paper
LTM	**2**	**1**	**MIDTERM**

MODULE NAME:	**ECONOMICS**

MODULE CODE:	**PECON II-I**	**EXAM DATE:**	**9.11.2023**
TEACHER'S NAME:	**Dr Faiza Kiran**	**DURATION:**	**90 minutes**

Questions to be answered on:	Allowed requirements:	Number of pages
✔ Space provided on the question paper	Pen, Pencil & Calculator	(Incl. cover page): **4**

Points of attention:

- For each question, the maximum earned points are mentioned between brackets at the end of each question.
- Write very clearly! Answers that are not readable are not marked and don't get points!
- Make sure your answers are written to the point.
- All answers should be written **in English.**
- Write all the answers in **blue or black pen only.**
- Use the **pencil** only for **diagrams & graphs.**
- Show all the calculation steps in the given space.
- When finished submit the question paper, together with the answer scripts and the signed cover page to the invigilator.
- Any cheating/copying may result in an instant failing of the examination.

FINAL MARKS

STUDENT NAME:

STUDENT ID:

	20
	10

Number of answer scripts:……..…………..

Student's signature: ……………………….

Invigilator:…………….….……………..

Time of receipt:…………………...….

Answer all questions.

Question 1: As a student of logistics management, why is it important to study transport economics?

(2 marks)

Question 2: Imagine you're managing the Oman Trucker Company, and your objective is to determine the company's cost per mile. Given that the company covers a monthly distance of approximately 12,500 miles, here is a breakdown of the incurred operating expenses:

Truck instalment = OMR 950

Insurance = OMR 300

Driver's salary = OMR 600

Fuel (petrol) = OMR 550

Maintenance = OMR 75

Calculate the cost per mile**.** **(4 marks)**

Question 3: You are managing a shipping company, and your cargo ship transports goods. In a particular journey, the ship carries 500 tons of cargo over a distance of 750 miles. Calculate the ton-miles for this journey**.**   **(2 marks)**

Answer: --

Question 4: Considering that Company A has fixed costs of 0.60 OMR per mile and variable costs of 0.20 OMR per mile, and Company B has fixed costs of 0.20 OMR per mile and variable costs of 0.60 OMR per mile, which company is performing better in terms of cost efficiency, and why?   **(2 marks)**

Question 5: Identify and analyse a real-life example of how changes in the demand for transportation services caused big changes in the transportation industry?   **(4 marks)**

Question 6: Following are five scenario-based questions where you need to identify the most suitable mode of transportation: - (6 marks)

a) You are tasked with shipping a large quantity of heavy machinery components from a factory to a construction site in a neighboring city. Which mode of transportation would you select, considering the weight and the need for efficient, timely delivery?

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b) A pharmaceutical company needs to transport temperature-sensitive vaccines from a manufacturing plant to distribution to another country. What mode of transportation would you choose to ensure temperature control, speed, and secure delivery?

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c) A manufacturing company wants to transport a shipment of heavy machinery from one continent to another. What mode of transportation would be the most cost-effective and efficient for this task?

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d) A fresh seafood supplier is delivering a shipment of seafood to a restaurant in a nearby coastal city. Which transportation mode should be chosen to maintain product freshness, speed, and efficiency?

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e) A company is exporting electronic devices to global markets. Which mode of transportation would you advise to deliver these lightweight, high-value products while balancing speed and security?

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f) You are a fruit distributor, and you need to transport a large shipment of fresh, perishable fruits from a farm to a distant city. Which mode of transportation would you choose, and why?

End of Exam

MLO & Bloom's Level of Complexity

Q #	MLO Addressed	Complexity Level	Mark	Remark
Q 3	2	Remembering	2	
Q 1	1	Understanding/ Analysing	2	
Q 4	2	Evaluating	2	
Q 6	1	Analysing	6	
Q 2	2	Remembering/analysis	4	
Q5	1	Application/analysis	4	