

OLLSCOIL NA hEIREANN, GAILLIMH  
THE NATIONAL UNIVERSITY OF IRELAND, GALWAY

SUMMER EXAMINATIONS 2002

**EC367 URBAN ECONOMICS**

3<sup>rd</sup> Year Repeat

Professor H. Dixon  
Professor M. Cuddy  
Professor M. Keane

**Time allowed: TWO hours.**

**Please answer THREE questions.**

1. Vacant land and derelict buildings will always be a problem as market and technical changes result in the continuing displacement of manufacturing and other activities from inner city areas. The scale of the problem will depend to a great extent on the general level of economic activity. Discuss.
2. In general terms urban redevelopment takes place when the present value of the expected flow of future net returns from the existing use of the land resource becomes less than the capital value of the cleared site. Discuss this model. Show how a decrease in interest rates will affect the timing of redevelopment decisions.
3. Land prices and urban sprawl may be still greater if there is a tax imposed on development gain. Discuss. In your discussion consider the effect of a 25 per cent tax on transactions in development land in the urban fringe.
4. To understand the urban location pattern of different employment sectors it is necessary to know more about their production functions and about the relative advantage to each of central and suburban locations. Discuss.
5. The question of road tolls usually arises in connection with the problem of allocating scarce road space or attempting to ensure that particular users do pay prices that reflect marginal costs. These are different issues from that of how to pay for roads. Discuss this statement.