

Name:			
Enrolment No:			
School of Business UPES <u>End Sem Examination Dec 2024</u>			
Program: MBA Aviation Management Subject/Course: Airline Economics Course Code: TRAV8017		Semester: 3rd Max. Marks: 100 Duration: 3 Hours	
SECTION A 10Qx2M=20Marks			
Q.No		Marks	Cos
Q1	What is the largest component of airline operating costs? A. Fuel B. Labor C. Aircraft leasing D. Maintenance	2	CO1
Q2	What is the primary determinant of airport charges for airlines? A) Aircraft weight B) Passenger volume C) Number of flights D) Duration of stay at the airport	2	CO1
Q3	Revenue management in airlines primarily involves: A. Optimizing flight routes B. Balancing load factors and ticket prices C. Reducing fuel costs D. Increasing onboard sales	2	CO1
Q4	Airlines implement fare classes to: A. Differentiate between international and domestic flights B. Segment customers by willingness to pay C. Comply with government regulations D. Simplify ticketing processes	2	CO1
Q5	Airlines often hedge fuel costs to: A. Increase profits B. Stabilize operating expenses C. Reduce environmental impact	2	CO1

	D. Gain tax advantages		
Q6	Overbooking flights is a strategy to: A. Increase load factor B. Reduce maintenance costs C. Avoid operational delays D. Meet government regulations	2	CO1
Q7	The term “hub-and-spoke” system refers to: A. A model where flights operate point-to-point B. A centralized network with connecting flights C. A low-cost airline strategy D. Direct competition elimination	2	CO1
Q8	What does the term "seat factor" refer to? A) The weight of cargo carried by an aircraft B) The percentage of available seats filled with passengers C) The number of flights departing from an airport D) The amount of fuel consumed per passenger-mile	2	CO1
Q9	Low-cost carriers primarily compete by: A. Offering extensive onboard services B. Focusing on premium passengers C. Reducing operational costs D. Expanding to underserved long-haul routes	2	CO1
Q10	Which market structure best describes the airline industry? A. Perfect competition B. Monopolistic competition C. Oligopoly D. Monopoly	2	CO1
SECTION B 4Qx5M= 20 Marks			
Q11	What are the main revenue sources for airlines?	5	CO2
Q12	What factors influence airport charges for airlines?	5	CO2
Q13	What is the significance of ancillary revenue for airlines?	5	CO2
Q14	How do airlines compete with each other economically?	5	CO2
SECTION-C 3Qx10M=30 Marks			
Q15	How do airlines balance the demand for increased capacity?	10	CO3
Q16	What are the main challenges faced by airlines in terms of cost management and efficiency?	10	CO3
Q17	Briefly explain how airlines capacity constraints can impact airline competition	10	CO3

SECTION-D
2Qx15M= 30 Marks

Q18	How do advanced booking systems enhance airline efficiency?	15	CO4
Q19	How do open skies agreements influence airline competition?	15	CO4