

Name:

Enrolment No:



School of Business
UPES
End Sem Examination May 2024

Program: MBA Aviation Management
Subject/Course: Airport Economics
Course Code: TRAV7005

Semester: 2nd
Max. Marks: 100
Duration: 3 Hours

SECTION A
10Qx2M=20Marks

Q.No		Marks	Cos
Q1	Which of the following is NOT a characteristic of an airport as an economic entity? a) Natural monopoly b) High fixed costs c) Low demand elasticity d) Perfectly competitive market	2	CO1
Q2	What is the primary source of revenue for airports? a) Landing fees b) Terminal fees c) Passenger fees d) Ancillary services	2	CO2
Q3	Which economic concept describes the situation where the cost of providing services to one additional user is zero? a) Economies of scale b) Economies of scope c) Marginal cost d) Price discrimination	2	CO2
Q4	Which of the following is NOT a source of revenue for airports? A) Landing fees B) Passenger facility charges C) Fuel taxes D) Air traffic control fees	2	CO1
Q5	Which economic concept describes the tendency of airlines to favor certain airports over others due to factors like geographic location and market demand? A) Economies of scale B) Airport congestion	2	CO2

	C) Airport hubbing D) Price discrimination		
Q6	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	CO2
Q7	What role do slot allocation systems play in airport economics? A) They regulate access to airport facilities. B) They determine the number of runways at an airport. C) They set prices for parking at airports. D) They manage security checkpoints	2	CO1
Q8	How do airports typically finance major infrastructure projects? A) Through government subsidies B) By issuing bonds C) Through passenger donations D) By raising landing fees	2	CO1
Q9	Which of the following is a common strategy used by airports to increase non-aeronautical revenue? A) Reducing parking fees B) Decreasing terminal rents C) Offering duty-free shopping D) Lowering landing charges	2	CO1
Q10	What effect does competition between airports have on pricing? A) It increases prices for airlines and passengers. B) It decreases prices for airlines and passengers. C) It has no effect on prices. D) It only affects airport fees, not ticket prices	2	CO1
SECTION B 4Qx5M= 20 Marks			
Q11	Explain the concept of economies of scale in the context of airport operations	5	CO2
Q12	How do airports manage costs and maximize profits?	5	CO3
Q13	How do airports attract and retain airlines?	5	CO3
Q14	Briefly explain the types of airport business model	5	CO2
SECTION-C 3Qx10M=30 Marks			
Q15	Describe the main differences between aeronautical and non-aeronautical revenues for airport	10	CO3
Q16	How do fluctuations in fuel prices and exchange rates impact the financial performance of airports ?	10	CO4

Q17	How do airports leverage non-aeronautical revenue streams such as retail, dining, and parking to enhance profitability?	10	CO3
SECTION-D 2Qx15M= 30 Marks			
Q18	What are the emerging trends and innovations in airports, and how do they shape the future of the industry ?	15	CO4
Q19	"Airport slot allocation is a critical aspect of airports." Discuss this statement, considering its implications on airline operations and airport profitability	15	CO4