Name: **Enrolment No:**	UPES

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2018

Course: MBA (AVM) **Semester: III**
Programme: Airline Revenue Management **Time: 03 hrs.**
Code: TRAV8001 **Max. Marks: 100**
Instructions: QP has in four sections and all are compulsory.

SECTION A
All Questions Mandatory (Explain these terms) **2x5=10**

S. No.		Marks	CO
Q 1 to 5	1. Nesting 2. Overbooking 3. Spill and Spoil 4. Unconstrained demand 5. Dilution	2 2 2 2 2	CO1

SECTION B
Note: Attempt Any four **4x5=20**

Q 1	Name the 3 key metrics used to measure performance of a flight?	5	CO2
Q 2	What does EMSR stand for? Write down its formula & Explain	5	CO3
Q 3	What is a booking curve? Do long haul airlines have a longer booking curve than short haul carriers?	5	CO3
Q 4	What is the most commonly used forecasting method for Revenue Management?	5	CO2
Q 5	What are fare buckets?	5	CO2

SECTION-C
Note: Attempt Any three **3x10=30**

Q 1	The role and function of Revenue Management department of an Airline.	10	CO3
Q 2	Explain the concept of differential Pricing?	10	CO2
Q 3	What is "Spiral down" effect in Revenue Management?	10	CO2
Q 4.	What is price elasticity? Explain it with as much detail as possible.	10	CO2

SECTION-D
Case Study on application of Revenue Management **4x10=40**

	The Year is 2003. The BJP Government has decided that it will grant Air Deccan a license despite protests from existing Airline players who opposed another competing		

	airline. Air Deccan initially planned to compete only in Tier 2, Tier 3 regional routes but suddenly in 2004, it announced its intentions to introduce Airbus 320 aircraft in its fleet that would compete directly with the other carriers like Jet Airways and Air Sahara. Air Deccan's Business Model is that of a low cost airline. It usually enters a route, with fares as low as 50% of the existing fares. As more aircraft join Air Deccan's fleet, it is becoming a major threat to Jet Airways. In Dec 2004, The Managing Director & Chairman of Jet Airways, Mr. Naresh Goyal during a regular performance update call with the CEO and his management team, is informed that many of the previously profitable routes may turn loss making on account of Deccan's aggressive fares in the market. This makes for a very worrying future outlook and Mr. Goyal loses his temper, asking his entire management team to come up with an answer to check the challenge posed by Air Deccan. He tells them that it is not the first time in the history of the airlines around the world that an LCC has come into the market, competing with an established large airline and surely there must be solutions available to such a scenario based on what happened in the other markets. Imagine yourself to be the CEO of Jet Airways in 2004. What answers will you come up with?		
Q 1	What tools will you use to compete with an LCC airline?	**10**	**CO4**
Q 2	Discuss 4-5 actions you will take and how will you implement them	**10**	**CO4**
Q 3	As a startup carrier what disadvantages does Air Deccan face versus Jet Airways?	**10**	**CO4**
Q 4	In a very weak regulatory environment, what pricing practices can Jet use without getting penalized?	**10**	**CO4**