



Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2022

Course: AIRPORT ECONOMICS

Semester: II

Program: MBA-AVM

Time : 03 hrs.

Course Code: TRAV- 7005

Max. Marks: 100

Instructions: Attempt all questions.

SECTION A
10Qx2M=20Marks

S. No.		Marks	CO
Q 1	Answer all the question.		CO1
1	Which of the following is not an economic characteristics of an airport: 1. Its end product is service rather than a manufactured good. 2. It operates in a highly regulated and technologically sophisticated environment. 3. Airport operates in higher political framework. 4. Airport operates round the clock. 5. It has direct demand	02	CO1
2	Which of the following is an airport operation system at airside 1. Departure concourse 2. Passenger area processing 3. Apron 4. Baggage reclaim	02	CO1
3	Price discrimination is possible in the following conditions: 1. Monopoly Market 2. Elasticity of demand is different in the two markets 3. The commodity or service being sold is not transferable between persons and markets. 4. All of the above	02	CO1
4	As per the ACI survey which of the following statement is true: 1. Operating cost is more than capital cost 2. The operating cost is less than the capital cost 3. Both are equal 4. Any cost can be more or less	02	CO1
5	Value proposition of airport business model includes: 1. Long term contracts 2. Large number of airlines 3. Large number of commercial agents 4. Very wide air connectivity	02	CO1
6	Identify the scheduling rule from the statement given below: If there is competing demand for a slot which is available, then it will be	02	CO1

	<p>allocated to the service which plans to use it most frequently.</p> <ol style="list-style-type: none"> 1. Directed discretion 2. Priority for regular services 3. Grandfathering 4. Use it or lose it 		
7	<p>Which option explains the Single-till regulation:</p> <ol style="list-style-type: none"> I. Aeronautical and non-aeronautical services are treated as distinct II. All costs and revenues are taken into account <ol style="list-style-type: none"> 1. Option 'I' only 2. Option 'II' only 3. Both 4. Neither 'I' nor 'II' 	02	CO1
8	<p>Which method intend to replicate the effect of competitive market forces:</p> <ol style="list-style-type: none"> 1. Rate of Return method 2. WACC method 3. Light tough regulation method 4. Price cap regulation 	02	CO1
9	<p>Which of the following statement refers to First degree of price discrimination:</p> <ol style="list-style-type: none"> 1. Monopolist charges as per volume of consumption i.e. low rate for low consumption and high rate for high consumption. 2. Monopolist identify the maximum paying capacity of the consumers and try to charge the moderate price from the market. 3. When a monopolist charges different prices by categorizing the consumers into different groups. 4. Monopolist identify the maximum paying capacity of the consumers and try to charge the maximum price from the market. 	02	CO1
10	<p>Route Navigation for Facility Charges (RNFC) for Landing Flights:</p> <ol style="list-style-type: none"> 1. Rs.(R / D x W) 2. Rs. (R+D x W) 3. Rs.(R x D - W) 4. Rs.(R x D x W) 	02	CO1
<p>SECTION B 4Qx5M= 20 Marks</p>			
Q .2	Answer all the questions.		CO2
1	Discuss briefly the top ten generic measures that could be used to compare air cargo performance across airport lines?	5 Marks	CO2
2	How the airport slot is allotted in case of any spare space left over	5 Marks	CO2
3	How can regulation be implemented?	5 Marks	CO2
4	What is Hybrid Till approach and how it is different from single till and dual till approach of regulatory till?	5 Marks	CO2

5	Compare Ramsey Pricing and Marginal Cost Pricing.	5 Marks	CO2
SECTION-C 3Qx10M=30 Marks			
Q	Attempt all the questions.		CO3
1	“Life cycle cost model helps in classifying the costs of the project and also reduces the overlapping of the cost heads during the life of airport development.” Discuss the Life cycle cost model in detail along with its significance in airport development decision making.	10 Marks	CO3
2	“Airports worldwide have adopted financial and quality of service benchmarking as a management tool to enhance efficiency, improve service and drive down cost.” With reference to this statement discuss the significance of Benchmarking along with types, features and basic steps of Benchmarking.	10 Marks	CO3
3	How can you perceive Airports as Public Utility and also discuss economics of discriminatory charging in public utilities	10 Marks	CO3
SECTION-D 2Qx15M= 30 Marks			
Q.4	Answer the questions given in the end.		CO4
	The commercialisation and, in some cases, privatisation of airports and ANSPs over the last twenty years has resulted in a variety of regulatory systems being introduced across different countries. <ol style="list-style-type: none"> 1. Discuss various methods for determining the Regulatory Asset Base (RAB) and 2. Share the experiences of economic regulations in different countries such as Australia, United Kingdom, United States, Asia and Latin America 	15 Marks 15 Marks	CO4