



NP – 387

III Semester B.B.A. (Aviation Management) Examination, February/March 2024
(NEP) (F+R)
BUSINESS ADMINISTRATION
Paper – 3.1 : Airline Accounting

Time : 2½ Hours

Max. Marks : 60

Instruction : Answer *all* questions in **English**.

SECTION – A

Answer **any 6** out of 8 given questions, **each** carries **2** marks.

(6×2=12)

1. a) What do you mean by Frequent Flyer Program ?
- b) What is LCC ?
- c) What is meant by Retained Earnings ?
- d) What do you mean by Hedging ?
- e) How do you calculate Debt-Equity Ratio ?
- f) What is penetration pricing strategy ?
- g) Define Available Seat Mills (ASM).
- h) What do you mean by cost advantage ?

SECTION – B

Answer **any 3** out of 5 questions, **each** carries **4** marks.

(3×4=12)

2. Write the difference between mergers and bankruptcies.
3. Given Gross Profit = ₹ 1,60,000; Net Profit = ₹ 96,000, Gross sales = ₹ 8,24,000;
Sales Returns = ₹ 24,000.

Compute :

- i) Gross profit ratio
 - ii) Net profit ratio
 - iii) Cost of goods sold.
4. Explain the uses of Break-even analysis.
 5. Explain in brief the different strategies for fuel Hedging.
 6. Discuss the disadvantages of Low cost business model.

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SECTION – C

Answer **any 3** out of 5 questions, **each** carries **12** marks.

(3×12=36)

7. Explain the factors affecting profitability.
8. What is meant by Aircraft leasing ? Explain its merits and demerits.
9. Write short notes on :
 - a) Future market
 - b) Forward market
 - c) Scenario analysis.
10. Explain in detail – “Why Different pricing strategies are followed by different Airlines” ?
11. PK Ltd., supplies the following information.

Balance Sheet

Capital and Liabilities	₹	Assets	₹
Share capital	2,00,000	Goodwill	1,20,000
Reserve and Surplus	58,000	Plant and Machinery	1,50,000
Debentures	1,00,000	Stock	80,000
Creditors	40,000	Debtors	45,000
Bills payable	20,000	Cash	17,000
Other current liabilities	2,000	Bills Receivable	8,000
	4,20,000		4,20,000

Sales (credit) for the year = ₹ 4,00,000

Gross Profit = ₹ 1,60,000

Calculate :

- i) Current Ratio
- ii) Quick Ratio
- iii) Stock turnover Ratio
- iv) Average collection period
- v) Owner's equity to Liabilities Ratio.