



**NP – 393**

**III Semester B.B.A. (Aviation Management)  
Examination, January/February 2025  
(NEP) (F+R)  
BUSINESS ADMINISTRATION  
Paper – 3.1 : Airline Accounting**

Time : 2½ Hours

Max. Marks : 60

**Instruction :** Answers to be written in **English** only.

**SECTION – A**

1. Answer **any 6** out of 8 given questions, **each** question carries **2** marks. **(6×2=12)**

- a) State the meaning of airline deregulation.
- b) Define airline mergers.
- c) Give four examples of asset management ratios.
- d) What is meant by operating lease ?
- e) Give the meaning of amortization.
- f) What do you mean by future markets ?
- g) State any two disadvantages of low cost business model.
- h) Define fleet optimization.

**SECTION – B**

Answer **any 3** out of 5 questions, **each** question carries **4** marks. **(3×4=12)**

- 2. Differentiate between traditional airlines and low cost carriers.
- 3. What are the factors affecting fuel hedging decisions ?
- 4. Write a short note on airline mergers.

P.T.O.



5. Mr. Nithin deposits ₹ 1,00,000 in a bank at the interest rate of 8% p.a. How much he will withdraw at the end of 5<sup>th</sup> year ?

6. Jet airways furnishes the following information :

Selling price per ticket	₹ 4,000
Variable cost per ticket	₹ 2,000
Total fixed cost	₹ 40,00,000

Calculate :

- P/ V ratio
- Break-even point.

### SECTION – C

Answer **any 3** out of 5 questions, **each** question carries **12** marks. **(3×12=36)**

- Discuss the key factors that affects the profitability of Airline industry.
- Elaborate on buy versus lease analysis.
- Describe about the low cost airline business model.
- Explain the common financial derivatives used by airlines.
- Following is the balance sheet of Nishanth Ltd., as on 31<sup>st</sup> March 2024 :

Liabilities	Amount	Assets	Amount
Equity share capital	5,00,000	Land and Building	9,00,000
Preference share capital	4,00,000	Plant and Machinery	8,00,000
Reserve and Surplus	4,00,000	Stock	3,00,000
Debentures	6,00,000	Debtors	2,00,000
Current liabilities	4,00,000	Cash in hand	90,000
		Prepaid expenses	10,000
<b>Total</b>	<b>23,00,000</b>	<b>Total</b>	<b>23,00,000</b>



**Additional Information :**

Sales during the period is ₹ 8,00,000; cost of goods sold ₹ 6,00,000.

You are required to calculate :

- i) Current ratio
  - ii) Liquid ratio
  - iii) Gross profit ratio
  - iv) Debt equity ratio
  - v) Working capital turnover ratio.
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