



IV Semester B.B.A. Examination, June/July 2025
(NEP) (F+R)

AVIATION MANAGEMENT
4.3 : Airline Finance



Time : 2½ Hours

Max. Marks : 60

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

SECTION – A

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

1. a) What is meant by Book profit ?
b) Give four examples for airport operating cost.
c) What do you mean by frequent flyer program ?
d) State the meaning of equity finance.
e) Expand : DCF.
f) Define insolvency.
g) Give two objectives of working capital management.
h) What do you mean aircraft valuation ?

SECTION – B

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

2. State the difference between capital market and money market.
3. Describe the Capital Asset Pricing Model.
4. Explain about the financial planning of airline industry.
5. Explain the various financial derivatives.
6. Write a short note on Asset Utilization.

P.T.O.



SECTION – C

Answer **any three** questions, **each** question carries **12** marks.

(3×12=36)

7. Explain the strategies used in airline industry to control the cost.
8. Describe the various methods of Airline Valuation.
9. Write a short note on :
 - a) Operating leasing
 - b) Initial public offerings
 - c) Financial planning
 - d) Financial risk analysis.
10. Following is the balance sheet of Akash Ltd., as on 31/3/2025.

Liabilities	Amount	Assets	Amount
Equity share capital	5,00,000	Land and Building	2,00,000
General reserve	70,000	Plant and Machinery	1,00,000
Debentures	66,000	Furniture	1,20,000
Long term loans	10,000	Investment	90,000
Creditors	40,000	Stock	82,000
Provision for tax	50,000	Bills receivable	85,000
Bills payable	17,000	Cash in hand	24,000
		Preliminary expenses	17,000
		Debtors	35,000
Total	7,53,000	Total	7,53,000

Additional information : Sales for the year Rs. 10,00,000; cost of goods sold Rs. 6,00,000.

Calculate :

- i) Stock turnover ratio
 - ii) Current ratio
 - iii) Quick ratio
 - iv) Proprietary ratio
 - v) Working capital turnover ratio.
11. Describe the steps involved in startup business plan for an Airline industry.