

Faculty of Transport Technologies
AIR TRANSPORTATION MANAGEMENT DEPARTMENT

APPROVED

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TYPICAL TEST ASSIGNMENTS

on the course«Transport Economy»

1. “Airline traffic” is
 - a) quantify the amount of airline output that is actually consumed or sold
 - b) approach to airport demand management is restraining competition
 - c) is also a strong trend toward privatizing the many government-owned national carriers (“flag carriers”)

2. Passenger airline traffic can be measured in terms of the number of passengers transported, but the most common measure of airline traffic is
 - a) MTOW
 - b) RPK
 - c) RPM

3. Yield is
 - a) the most common measure of airline traffic
 - b) a variety of operating expenses
 - c) is a measure of the average fare paid by all passengers per kilometer (or mile) flown

4. Load factor refers to
 - a) the ratio of traffic to airline output, representing the proportion of airline output that is sold or consumed
 - b) s the total operating expense divided by the ASK produced by an airline, for a route, region or total network

- c) the average operating expense per unit of output
5. The most common measures of passenger airline performance
- a) traffic (RPK), yield, capacity (ASK), unit cost and load factor
 - b) traffic (RPK), capacity (ASK), load factor
 - c) unit cost and load factor
6. Basic airline profit equation illustrates
- a) how low costs of production provide a competitive advantage in any industry
 - b) how high yield is clearly not desirable if only a few passengers pay a very high fare and leave a large proportion of seats unused
 - c) how the use of any of the individual terms defined above to measure airline performance can be misleading
7. Economic theory tells that (2 answers are possible)
- a) any price increase will inevitably lead to a traffic decrease
 - b) a price increase can still be revenue positive if demand is “inelastic”
 - c) yield is a poor indicator of airline profitability by itself
8. The ground access
- a) portion of the trip from the passenger’s origin point to the originating airport can involve travel by private car, taxi or public transport
 - b) consists of purchasing tickets (if this has not been done in advance), obtaining boarding passes, checking baggage, undergoing security inspection and boarding the aircraft
 - c) lasts for 1 hour or more and covers distances of 200 to 14 000 kilometers (125 to 9000 miles) or more.
9. The outbound air trip
- a) portion of the trip from the passenger’s origin point to the originating airport can involve travel by private car, taxi or public transport
 - b) consists of purchasing tickets (if this has not been done in advance), obtaining boarding passes, checking baggage, undergoing security inspection and boarding the aircraft
 - c) lasts for 1 hour or more and covers distances of 200 to 14 000 kilometers (125 to 9000 miles) or more.
10. Enplanement processing
- a) portion of the trip from the passenger’s origin point to the originating airport can involve travel by private car, taxi or public transport
 - b) consists of purchasing tickets (if this has not been done in advance), obtaining boarding passes, checking baggage, undergoing security inspection and boarding the aircraft

- c) lasts for 1 hour or more and covers distances of 200 to 14 000 kilometers (125 to 9000 miles) or more.
11. What distance does the outbound air trip cover?
- a) of 200 to 14 000 kilometers
 - b) of 400 to 16 000 kilometers
 - c) of 1000 to 14 000 kilometers
12. An airport's catchment area (2 answers are possible)
- a) can extend for hundreds of kilometers
 - b) cannot extend far than 100 kilometers
 - c) can vary with the destination and trip purpose of the traveler
 - d) cannot vary with the destination and trip purpose of the traveler
13. The most common representation of origin–destination demand is
- a) a city-pair market
 - b) region-pair market
 - c) airport-pair markets
14. The total O-D demand can be measured
- a) as well as travelers returning home and finishing their trip
 - b) as the number of one-way passenger trips per period in a single direction or, alternatively, one-way passenger trips per period summed over both directions
 - c) as part of a multi-stop or connecting travel itinerary
15. Paths are
- a) one-stop or connecting flight itineraries
 - b) flight legs usually much larger than the “local” traffic
 - c) part of a multi-stop or connecting travel itinerary
16. Dichotomy of demand and supply is
- a) the number of seats available to a single O-D market in a network of connecting flights
 - b) an inherent inability to directly compare demand and supply in an individual O-D market
 - c) market is in “equilibrium”
17. Total trip time doesn't include:
- a) Access and egress times to/from airports at origin and destination.
 - b) Pre-departure and post-arrival processing times at each airport.
 - c) The ability of a passenger to easily make a reservation, obtain a ticket and meet any conditions of travel by air will also have an impact on total demand
 - d) Actual flight times plus connecting times between flights.

18. Inelastic (-0.8) business demand for air travel means (2 answers are possible)
- that the volume of demand does not change by as much as a change in price, in percentage terms
 - less sensitivity to price changes
 - a greater sensitivity to price changes
 - 10% price increase causes a 16% demand decrease
19. Time sensitive but price sensitive type
- This segment contains the classical leisure or vacation travelers, willing to change their time and day of travel, and even destination airports, to find a seat at the lowest possible fare
 - This segment includes the relatively few consumers that have little or no time constraints for travel, yet are willing to pay for high levels of service.
 - This segment was not explicitly recognized in the traditional business–leisure classification, yet a large proportion of business travelers probably belong to this demand segment.
20. Airlines do not compete for passengers and market share based on the following factors:
- Frequency of flights and departure schedule on each route served.
 - The capacity offered by a set of flights in an air travel market can be used by the airline to provide different classes or qualities of service, at different price levels
 - Price charged, relative to other airlines, to the extent that regulation allows for price competition. 68 Overview of Airline Economics, Markets and Demand
 - Quality of service and products offered, including airport and in-flight service amenities and/or restrictions on discount fare products.
21. Total cost is primarily dependent on
- the size and operational characteristics of the fixed facilities and mobile units (vehicles), and volume of the other resources consumed for provision of services (labour, energy)
 - the average and marginal cost/revenue
 - three basic characteristics that may be of special importance for any analysis: level, variability and structure
22. The output of the airport landside area can be
- expressed by the volume of aircraft movements that are carried out in a given period under given conditions
 - expressed by the total number of passengers and volume of freight that are processed in a given period of time under given conditions
 - by the volume of seat, passenger, and ton kilometers (miles) carried out either by single aircraft, single or group of airlines, or the whole airline industry in a given period of time

23. Work Load Unit (WLU)

- a) is equivalent to one passenger or to 1000kg of freight or mail
- b) is equivalent to one passenger or to 100kg of freight or mail
- c) is equivalent to one passenger or to 10kg of freight or mail

24. The different cost structures of the US and European airline industries have been primarily caused by

- a) the same amount of money for handling services, ticketing sales and promotion
- b) differences in the institutional and operating rules being in effect at their primary markets (routes)
- c) paying the landing fees and associated airport charges, en-route navigational charges, passenger service exposures, and for covering the other expenses

25. Structure of DOC includes:

- a) AUC- Airport User Charges HC - Handling Cost, ENC- En-route Navigational Charges, PSE - Passenger Service
- b) FOE - Flight Operation Expenses, MO - Maintenance and Overhaul, DA- depreciation and amortisation
- c) Charges HC - Handling Cost, ENC- En-route Navigational Charges, PSE - Passenger Service
- d) FOE - Flight Operation Expenses, MO - Maintenance, ENC- En-route Navigational Charges

26. Structure of IOC includes:

- a) AUC- Airport User Charges HC - Handling Cost, ENC- En-route Navigational Charges, PSE - Passenger Service, Exposures, TSP - Ticketing. Sales, Promotion, OE- other expenses
- b) AUC- Airport User Charges HC - Handling Cost, ENC- En-route Navigational Charges
- c) PSE - Passenger Service, Exposures, TSP - Ticketing. Sales, Promotion, OE- other expenses

27. The average cost per seat on a given route and average cost per unit of flying distance, respectively, can be computed

- a) when the average cost per flight is divided either by aircraft capacity N (route length d is fixed) or route length d (aircraft capacity N is fixed)
- b) by the same aircraft, the average cost per unit of travel distance
- c) and the aircraft size increase the cost per unit of output (expressed in cents per scatter-kilometre) will be lower

28. The total cost of the ATC operations linearly increases with

- a) dependent variable
- b) increase growth of traffic
- c) marginal costs per processed flight

29. Economics of scale at an airport ground access systems are presented by
- a) the relationships between the average charge paid by a user (passenger, airport visitor) and travel distance between the airport and its catchment area, or vice versa
 - b) internal cost of serving the passenger and cargo
 - c) out-of-pocket cost for the user and revenue for the operators
30. The costs of flight operations includes:
- a) crew, flight equipment insurance, flight crew training and other flight expenses
 - b) crew, fuel and oil, flight equipment insurance, rental of flight equipment, flight crew training and other flight expenses
 - c) crew, fuel and oil, flight equipment insurance, rental of flight equipment
 - d) rental of flight equipment, flight crew training and other flight expenses

Developed by Senior Lecturer

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