



MUEO

# **MOI UNIVERSITY**

OFFICE OF THE CHIEF ACADEMIC OFFICER

## **UNIVERSITY EXAMINATIONS** **2017/2018 ACADEMIC YEAR** *THIRD YEAR END OF SEMESTER EXAMINATIONS*

### **FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE:** BCM 324

**COURSE TITLE:** AIRLINE MANAGEMENT

**DATE:** 8<sup>TH</sup> FEBRUARY, 2018      **TIME:** 11.40 AM - 2.40 PM

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#### **INSTRUCTION TO CANDIDATES**

- SEE INSIDE

**Instructions:** Answer **Question one** and **any other three** questions.

**Question 1**

- a) Most African Airlines have a fleet of less than 50 aircraft and yet they choose to have their own maintenance department. Discuss how this strategy has worked against them. **(15 Marks)**
  
- b) Discuss two factors that airlines consider before coming to the decision to dispose an aircraft. **(10 Marks)**

**Question 2**

Explain how an airline goes about to develop a new air route.

**(15 Marks)**

**Question 3**

Discuss three strategies that an airline can use to manage her costs.

**(15 Marks)**

**Question Four**

- a) Explain the meaning of baggage. **(5 Marks)**
  
- b) Discuss two strategies that an airline can use to minimize occurrence of incidences of mishandling of baggage and the associated costs.

**(10 Marks)**

**Question Five**

Airlines continue to rely on travel agents to sell their products and thereby paying a commission that reduces their profit margin. Discuss how airlines can overcome this challenge.

**(15 Marks)**

**Question Six**

- a) Explain the meaning of franchising. **(5 Marks)**
  
- b) Discuss why franchising has not helped the African Airlines to expand and remain profitable. **(10 Marks)**