



MUEO

MOI UNIVERSITY

**OFFICE OF THE DEPUTY VICE CHANCELLOR, ACADEMIC
AFFAIRS, RESEARCH & EXTENSION**

**UNIVERSITY EXAMINATIONS
2016/2017 ACADEMIC YEAR**

END OF SEMESTER EXAMINATIONS

**FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION**

EXAM CODE:- MBA 828

COURSE TITLE:- AIRLINE BUSINESS MANAGEMENT

DATE:- 6TH SEPTEMBER, 2017

TIME:- 9.00A.M. – 12.00NOON.

INSTRUCTION TO CANDIDATES

➤ **SEE INSIDE.**

THIS PAPER CONSISTS OF (2) PRINTED PAGES

PLEASE TURN OVER

Moi University

School of Business and Economics

MBA828 – Airline Business Management

Final Examination (June to August 2017 Semester)

Time 03:00 Hrs

Date:

Instructions

1. Answer Question **one** and **any other three** questions.
2. Be clear and precise

Question One

Case Study

Airlines have been observed to operate in profit and loss cycles whereby each cycle lasts between 5 to 10 years. This has led to airlines reporting huge losses and appealing to National governments for a financial bail out.

- i) Discuss four causes of the profit and loss cycles. **(12 Marks)**
- ii) Propose five strategies that may be used by the airline management to minimize the severity of the effects of the above profit and loss cycles. **(5 Marks)**

Question Two

- i) Explain the meaning of the term “Airline fleet Management”. **(5 Marks)**
- ii) Discuss three factors that would make an airline opt to lease aircraft equipment instead of buying. **(6 Marks)**

Question Three

- i) Discuss four factors you would consider when selecting the most suitable aircraft equipment for your airline. **(8 Marks)**
- ii) Discuss three factors that an airline considers to determine when to dispose aircraft equipment. **(3 Marks)**

Question Four

- i) Explain the meaning of the term “hub”. **(3 Marks)**
- ii) Discuss four advantages that a hub provides to an airline. **(8 Marks)**

Question Five

- i) Explain the meaning of the term “Global Distribution System (GDS)”.
(3 Marks)
- ii) Discuss four reasons as to why online sale of airline products has not been successful in Kenya.
(8 Marks)

Question Six

- i) Discuss why most African governments are not comfortable with the mode of business of airline alliances.
(5 Marks)
- ii) Propose and explain three measures that African governments can take to protect small air carriers registered in their countries from effects of airline alliances.
(6 Marks)

****End****