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**ADVANCED DIPLOMA IN AIR CARGO  
MANAGEMENT (ADACM)**

**Term-End Examination**

**June, 2011**

**MAV-032 : ECONOMICS AND FINANCIAL  
MANAGEMENT IN AIRLINE BUSINESS**

*Time : 3 hours*

*Maximum Marks : 100*

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*Note : Answer any five questions. All questions carry equal marks.*

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1. What is the meaning of Business ? Explain about the characteristics of business that existed prior to the Industrial Revolution and after that. Also explain the advantages which a country or a society could derive out of a sound Business economy. 20
  
2. (a) The Industrial policy statement of 1977 brought about significant changes in the Industrial policy of India. Explain. 10
  
- (b) Explain external environment of business. 10

3. Following is the trading and profit and loss account of Suresh & Co. for the year end 31.3.2010. 20

	Rs.		Rs.
To Opening stock	60,000	By Sales	4,00,000
To Purchase	2,75,000	By Closing stock	75,000
To Wages	25,000		
To Gross profit c/d	1,15,000		
	4,75,000		4,75,000
To Administrative expenses	45,000	By Gross profit b/d	1,15,000
To Selling and Distribution expenses	10,000	By Interest on Investment	10,000
To Office expenses	5,000		
To Non operating expenses	15,000		
To Net profit	50,000		
	1,25,000		1,25,000

You are required to calculate :

- (a) Gross Profit Ratio.
  - (b) Operating Ratio
  - (c) Operating Profit Ratio
  - (d) Net Profit Ratio.
4. (a) What are the two categories of Business Collusion in Modern business ? Explain. 10
- (b) Explain the various sources of energy and from where they are sourced. 10

5. (a) Describe the types of Financial Analysis. 10  
 (b) Describe the growth of Air Transport in India and what has the Government done to booster Air Transport in India ? 10

6. (a) Give briefly the processes in strategic management of a business. 10  
 (b) Explain the following with examples :  
 (i) Comparative financial statements. 5  
 (ii) Common size financial statements. 5

7. (a) Calculate the Gross profit ratio from the following figures : 10

	Rs.		Rs.
Sales	1,00,000	Purchases	60,000
Sales returns	10,000	Purchase returns	15,000
Opening stock	20,000	Closing stock	5,000

- (b) What are the advantages of ratio Analysis ? 10
8. (a) Explain briefly the techniques of Financial Analysis. 10  
 (b) Briefly describe the external and internal factors influencing corporate financial decisions. 10