



AVAT12016 Airline Finance Analysis

Term 2 - 2023

Profile information current as at 24/04/2024 01:36 am

All details in this unit profile for AVAT12016 have been officially approved by CQU University and represent a learning partnership between the University and you (our student). The information will not be changed unless absolutely necessary and any change will be clearly indicated by an approved correction included in the profile.

General Information

Overview

Airline Finance Analysis is designed to provide you with an understanding of the financial decision-making required in the commercial air transport industry. You will learn about key financial management concepts and how they are applied to the management of airlines. Topics include making investment decisions, financing choices (including leasing), fleet planning, route economics, hedging financial risks, and airline financial statements.

Details

Career Level: *Undergraduate*

Unit Level: *Level 2*

Credit Points: 6

Student Contribution Band: 8

Fraction of Full-Time Student Load: 0.125

Pre-requisites or Co-requisites

Pre-requisites: AVAT11013 Introduction to Aviation or AVAT11002 Basic Aeronautical Knowledge and AVAT11008 Introduction to Aviation Management and ACCT11059 Accounting, Learning, and Online Communication.

Important note: Students enrolled in a subsequent unit who failed their pre-requisite unit, should drop the subsequent unit before the census date or within 10 working days of Fail grade notification. Students who do not drop the unit in this timeframe cannot later drop the unit without academic and financial liability. See details in the [Assessment Policy and Procedure \(Higher Education Coursework\)](#).

Offerings For Term 2 - 2023

- Online

Attendance Requirements

All on-campus students are expected to attend scheduled classes - in some units, these classes are identified as a mandatory (pass/fail) component and attendance is compulsory. International students, on a student visa, must maintain a full time study load and meet both attendance and academic progress requirements in each study period (satisfactory attendance for International students is defined as maintaining at least an 80% attendance record).

Website

[This unit has a website, within the Moodle system, which is available two weeks before the start of term. It is important that you visit your Moodle site throughout the term. Please visit Moodle for more information.](#)

Class and Assessment Overview

Recommended Student Time Commitment

Each 6-credit Undergraduate unit at CQUniversity requires an overall time commitment of an average of 12.5 hours of study per week, making a total of 150 hours for the unit.

Class Timetable

[Regional Campuses](#)

Bundaberg, Cairns, Emerald, Gladstone, Mackay, Rockhampton, Townsville

[Metropolitan Campuses](#)

Adelaide, Brisbane, Melbourne, Perth, Sydney

Assessment Overview

1. **Online Quiz(zes)**

Weighting: 30%

2. **Case Study**

Weighting: 30%

3. **Group Discussion**

Weighting: 40%

Assessment Grading

This is a graded unit: your overall grade will be calculated from the marks or grades for each assessment task, based on the relative weightings shown in the table above. You must obtain an overall mark for the unit of at least 50%, or an overall grade of 'pass' in order to pass the unit. If any 'pass/fail' tasks are shown in the table above they must also be completed successfully ('pass' grade). You must also meet any minimum mark requirements specified for a particular assessment task, as detailed in the 'assessment task' section (note that in some instances, the minimum mark for a task may be greater than 50%). Consult the [University's Grades and Results Policy](#) for more details of interim results and final grades.

CQUniversity Policies

All University policies are available on the [CQUniversity Policy site](#).

You may wish to view these policies:

- Grades and Results Policy
- Assessment Policy and Procedure (Higher Education Coursework)
- Review of Grade Procedure
- Student Academic Integrity Policy and Procedure
- Monitoring Academic Progress (MAP) Policy and Procedure – Domestic Students
- Monitoring Academic Progress (MAP) Policy and Procedure – International Students
- Student Refund and Credit Balance Policy and Procedure
- Student Feedback – Compliments and Complaints Policy and Procedure
- Information and Communications Technology Acceptable Use Policy and Procedure

This list is not an exhaustive list of all University policies. The full list of University policies are available on the [CQUniversity Policy site](#).

Unit Learning Outcomes

On successful completion of this unit, you will be able to:

1. Interpret airline financial statements to measure the financial performance of an airline
2. Discuss financing models for aircraft acquisition that suits the airline financial standing
3. Conduct an airline financial risk analysis to propose suitable risk management strategies
4. Explain the strategies and processes used by airlines for accessing capital and for capital budgeting
5. Evaluate the future trends of industry directions through industry and data analysis from key forecast organisations and external shock factors that threaten the industry's profitability.

N/A

Alignment of Learning Outcomes, Assessment and Graduate Attributes



Alignment of Assessment Tasks to Learning Outcomes

Assessment Tasks	Learning Outcomes				
	1	2	3	4	5
1 - Online Quiz(zes) - 30%	•	•			
2 - Case Study - 30%	•	•	•	•	•
3 - Group Discussion - 40%			•	•	•

Alignment of Graduate Attributes to Learning Outcomes

Graduate Attributes	Learning Outcomes				
	1	2	3	4	5
1 - Communication					•
2 - Problem Solving		•	•	•	•
3 - Critical Thinking	•	•	•	•	•
4 - Information Literacy		•	•	•	•
5 - Team Work					
6 - Information Technology Competence	•	•	•		
7 - Cross Cultural Competence					
8 - Ethical practice					
9 - Social Innovation					
10 - Aboriginal and Torres Strait Islander Cultures					

Textbooks and Resources

Textbooks

There are no required textbooks.

IT Resources

You will need access to the following IT resources:

- CQUniversity Student Email
- Internet
- Unit Website (Moodle)

Referencing Style

All submissions for this unit must use the referencing style: [American Psychological Association 7th Edition \(APA 7th edition\)](#)

For further information, see the Assessment Tasks.

Teaching Contacts

Wen-Chun Tseng Unit Coordinator
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Schedule

Week 1 - 10 Jul 2023

Module/Topic	Chapter	Events and Submissions/Topic
INDUSTRY FINANCIAL PERFORMANCE	Chapter 1 of AIRLINE FINANCE	Quiz 1 open

Week 2 - 17 Jul 2023

Module/Topic	Chapter	Events and Submissions/Topic
AIRLINE FINANCIAL STATEMENTS	Chapter 2 of AIRLINE FINANCE	Quiz 1 close Quiz 2 open

Week 3 - 24 Jul 2023

Module/Topic	Chapter	Events and Submissions/Topic
AIRLINE FINANCIAL RATIOS	Chapter 3 of AIRLINE FINANCE	Quiz 2 close Quiz 3 open

Week 4 - 31 Jul 2023

Module/Topic	Chapter	Events and Submissions/Topic
AIRLINE VALUATION	Chapter 4 of AIRLINE FINANCE	Quiz 3 close Quiz 4 open

Week 5 - 07 Aug 2023

Module/Topic	Chapter	Events and Submissions/Topic
SOURCES OF FINANCE	Chapter 5 of AIRLINE FINANCE	Quiz 4 close Quiz 5 open

Vacation Week - 14 Aug 2023

Module/Topic	Chapter	Events and Submissions/Topic
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No lectures	Review material from the first 5 weeks.	None
Week 6 - 21 Aug 2023		
Module/Topic	Chapter	Events and Submissions/Topic
EQUITY FINANCE	Chapter 6 of AIRLINE FINANCE	Quiz 5 close Quiz 6 open Case Study Report submission
		CASE STUDY Due: Week 6 Friday (25 Aug 2023) 5:00 pm AEST
Week 7 - 28 Aug 2023		
Module/Topic	Chapter	Events and Submissions/Topic
AIRLINE PRIVATISATION	Chapter 7 of AIRLINE FINANCE	Quiz 6 close Quiz 7 open
Week 8 - 04 Sep 2023		
Module/Topic	Chapter	Events and Submissions/Topic
AIRLINE FINANCIAL PLANNING AND APPRAISAL	Chapter 8 of AIRLINE FINANCE	Quiz 7 close Quiz 8 open
Week 9 - 11 Sep 2023		
Module/Topic	Chapter	Events and Submissions/Topic
RISK MANAGEMENT: FOREIGN CURRENCY AND INTEREST RATES	Chapter 9 of AIRLINE FINANCE	Quiz 8 close Quiz 9 open
Week 10 - 18 Sep 2023		
Module/Topic	Chapter	Events and Submissions/Topic
RISK MANAGEMENT: FUEL PRICES	Chapter 10 of AIRLINE FINANCE	Quiz 9 close Quiz 10 open
Week 11 - 25 Sep 2023		
Module/Topic	Chapter	Events and Submissions/Topic
AIRCRAFT LEASING	Chapter 11 of AIRLINE FINANCE	Quiz 10 close
Week 12 - 02 Oct 2023		
Module/Topic	Chapter	Events and Submissions/Topic
AIRLINE NEW ENTRY AND BANKRUPTCY/ INDUSTRY FINANCIAL PROSPECTS	Chapter 13-14 of AIRLINE FINANCE	None
Review/Exam Week - 09 Oct 2023		
Module/Topic	Chapter	Events and Submissions/Topic
No lectures	All chapters of AIRLINE FINANCE plus tutorials and assignment review.	Group Discussion Report submission or Online Test
		GROUP DISCUSSION Due: Review/Exam Week Friday (13 Oct 2023) 5:00 pm AEST

Assessment Tasks

1 Online Quizzes

Assessment Type

Online Quiz(zes)

Task Description

There will be 10 online quizzes throughout the term contributing 30% to the final assessment. They will be undertaken online and be due at approximately one-week intervals as given on the Moodle site. Each quiz consists of 5 questions and the question types can be matching, multiple-choice, selecting missing words, or True/False. You must select what you think is the correct solution.

Number of Quizzes

10

Frequency of Quizzes

Weekly

Assessment Due Date

Due dates for each quiz are detailed on Moodle and will be reaffirmed in the Lectures

Return Date to Students

As specified after the closing date for each quiz.

Weighting

30%

Assessment Criteria

This is a simple correct or incorrect answer.

Referencing Style

- [American Psychological Association 7th Edition \(APA 7th edition\)](#)

Submission

Online

Submission Instructions

Submit through Moodle

Learning Outcomes Assessed

- Interpret airline financial statements to measure the financial performance of an airline
- Discuss financing models for aircraft acquisition that suits the airline financial standing

2 CASE STUDY

Assessment Type

Case Study

Task Description

Review of Airline Financial Performance: Select a current airline and discuss and analyze its recent history of profitability, financial and operational performance (past 3 years).

Assessment Due Date

Week 6 Friday (25 Aug 2023) 5:00 pm AEST

Return Date to Students

Two weeks after submission

Weighting

30%

Assessment Criteria

Word Count: 3000 words (+/- 10%)

Course Value: 30%

Task: Select a current airline and discuss and analyze its recent history of profitability, financial and operational performance (past 3 years).

PLEASE NOTE: Each student must select a different airline; a chosen airline must be approved with the course lecturer before being used as the basis for the report.

Basic Structure: This academic report must contain a Title Page, Table of Contents, Executive Summary, Introduction,

Main Body(Highlight of Major Business/ Shareholder and Management/ Business Drivers/ Financial Statement Analysis and Peer Comparison/ Risk Factors),Conclusion. The report should be thoroughly referenced using in-text references (APA referencing is required).

Criteria: Successfully discussion and analysis essentially refer to the information and content that you include in your report; in many ways this is the story or narrative that you develop from start to finish. Analysis basically asks and answers the question “why”? Why is this information important in addressing the topic? Analysis helps to strengthen arguments by building a strong case – often it is achieved by acknowledging key differing arguments, but then developing a strong argument or angle for an assignment in the process – like a spine with attached and acknowledged counter arguments along the way. Comparing and contrasting are typically used to conduct analysis, with words like however, in contrast, similarly, likewise, but (and so forth) used throughout to link and generate ideas, concepts, viewpoints and arguments.

Referencing Style

- [American Psychological Association 7th Edition \(APA 7th edition\)](#)

Submission

Online

Submission Instructions

Submit through Moodle

Learning Outcomes Assessed

- Interpret airline financial statements to measure the financial performance of an airline
- Discuss financing models for aircraft acquisition that suits the airline financial standing
- Conduct an airline financial risk analysis to propose suitable risk management strategies
- Explain the strategies and processes used by airlines for accessing capital and for capital budgeting
- Evaluate the future trends of industry directions through industry and data analysis from key forecast organisations and external shock factors that threaten the industry’s profitability.

3 GROUP DISCUSSION

Assessment Type

Group Discussion

Task Description

The Best Investment Option:

1. Discussing the results of your case study with your group members
2. Comparing the airlines' financial performances of your group
3. Providing 4 to 6 recommendations for increasing, maintaining and/or achieving future profitability at airlines of your group
4. Selecting one of the airlines form your group as the best investment option

PLEASE NOTE: This assessment will be an online test when there are less than two students enrolled.

Assessment Due Date

Review/Exam Week Friday (13 Oct 2023) 5:00 pm AEST

Return Date to Students

Two weeks after submission

Weighting

40%

Assessment Criteria

Word Count: 3000 words (+/- 10%)

Course Value: 40%

Task: Select the best investment option form the airlines of your group

Basic Structure: This academic report must contain a Title Page, Table of Contents, Executive Summary, Introduction,

Main Body, Conclusion. The report should be thoroughly referenced using in-text references (APA referencing is required).

Criteria: Successfully discussion and analysis essentially refer to the information and content that you include in your report; in many ways this is the story or narrative that you develop from start to finish. Analysis basically asks and answers the question “why”? Why is this information important in addressing the topic? Analysis helps to strengthen arguments by building a strong case – often it is achieved by acknowledging key differing arguments, but then developing a strong argument or angle for an assignment in the process – like a spine with attached and acknowledged counter arguments along the way. Comparing and contrasting are typically used to conduct analysis, with words like however, in contrast, similarly, likewise, but (and so forth) used throughout to link and generate ideas, concepts, viewpoints and arguments.

Referencing Style

- [American Psychological Association 7th Edition \(APA 7th edition\)](#)

Submission

Online Group

Submission Instructions

Submit through Moodle

Learning Outcomes Assessed

- Conduct an airline financial risk analysis to propose suitable risk management strategies
- Explain the strategies and processes used by airlines for accessing capital and for capital budgeting
- Evaluate the future trends of industry directions through industry and data analysis from key forecast organisations and external shock factors that threaten the industry’s profitability.

Academic Integrity Statement

As a CQUniversity student you are expected to act honestly in all aspects of your academic work.

Any assessable work undertaken or submitted for review or assessment must be your own work. Assessable work is any type of work you do to meet the assessment requirements in the unit, including draft work submitted for review and feedback and final work to be assessed.

When you use the ideas, words or data of others in your assessment, you must thoroughly and clearly acknowledge the source of this information by using the correct referencing style for your unit. Using others' work without proper acknowledgement may be considered a form of intellectual dishonesty.

Participating honestly, respectfully, responsibly, and fairly in your university study ensures the CQUniversity qualification you earn will be valued as a true indication of your individual academic achievement and will continue to receive the respect and recognition it deserves.

As a student, you are responsible for reading and following CQUniversity's policies, including the [Student Academic Integrity Policy and Procedure](#). This policy sets out CQUniversity's expectations of you to act with integrity, examples of academic integrity breaches to avoid, the processes used to address alleged breaches of academic integrity, and potential penalties.

What is a breach of academic integrity?

A breach of academic integrity includes but is not limited to plagiarism, self-plagiarism, collusion, cheating, contract cheating, and academic misconduct. The Student Academic Integrity Policy and Procedure defines what these terms mean and gives examples.

Why is academic integrity important?

A breach of academic integrity may result in one or more penalties, including suspension or even expulsion from the University. It can also have negative implications for student visas and future enrolment at CQUniversity or elsewhere. Students who engage in contract cheating also risk being blackmailed by contract cheating services.

Where can I get assistance?

For academic advice and guidance, the [Academic Learning Centre \(ALC\)](#) can support you in becoming confident in completing assessments with integrity and of high standard.

What can you do to act with integrity?



Be Honest

If your assessment task is done by someone else, it would be dishonest of you to claim it as your own



Seek Help

If you are not sure about how to cite or reference in essays, reports etc, then seek help from your lecturer, the library or the Academic Learning Centre (ALC)



Produce Original Work

Originality comes from your ability to read widely, think critically, and apply your gained knowledge to address a question or problem