Course Syllabus

Code - Course Title	**SHU104U - Aviation Economy**
Course Type	II. SEMESTER
Laboratory + Practice	0+0
ECTS	**6.0**
Language of Instruction	Türkçe
Course Type	Required Courses
Course Instructor(s)	PROF. DR. SEZGİN AÇIKALIN

Mode of Delivery	Distance Education
Prerequisites	There is no prerequisite or co-requisite for this course.
Courses Recomended	There is no recommended optional programme component for this course.
Recommended Resources	none
Work Placement	Not Applicable

Course Syllabus

Weeks	Learning Outcomes	Topics	Teaching Methods
Week - 1		History: The period until the World War II, the Cold War years, Company and country rivalries, A post-Cold war world; International Structure: Financial situation of the sector, Consolidation of the sector; Factors Affecting the Growth of World Air Traffic: Higher living standards, Demographic structure, Travel cost, Liberalization, Other factors; Economic Impact of Aviation Sector: Direct effects, Indirect effects, Induced and total effects; The future: airplanes in 2032 and beyond, Covid-19 pandemic and beyond	
Week - 2		Definition and Characteristics of Economics: Economics as a science, Unlimited demands, Scarce resources, Alternative uses of resources, Cost and profit targets, Demand, Competition; Scope of Economics: Microeconomics, Households, Businesses, Pricing decisions, Price elasticity of demand, income elasticity of demand, Output decisions, Marginal cost, market price, Marginal income, Capacity decisions	
Week - 3		Scope of Economy: Macro economy, National income, GDP, Labor force and unemployment, Natural unemployment, Cyclic unemployment, Frictional unemployment, Inflation, CPI, PPI, Interest rate and exchange rate; Economic Systems: Laissez-faire capitalism, Command economy, Mixed economy, Incentives in the economy, Tax incentives, Financial incentives, Subsidies, Tax returns, Negative incentives; Market Failures: Externalities, Positive externalities, Negative externalities, Lack of competition	

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Week - 4		Fundamentals of Demand: Income passenger mile, Demand schedule, Demand law, Demand curve, Demand function, Explicit and implicit demand functions; Determinants of Air Transport Demand: Ticket price, competitor price, Passenger income, General view of the economy, Other determinants; Characteristics of Air Freight Demand: Continuous fluctuation, Cyclality, Seasonality and peak, Directional flow, Demand source	
Week - 5		Elasticity of Demand: Relationship between substitution and elasticity, Relationship between income and elasticity, Flight distance and elasticity, Relationship with travel purpose, Types of elasticity, Price elasticity, Cross-price elasticity, Income elasticity; Supply in Airline Services: Factors affecting the supply of airline services, Supply function, Characteristics of supply for airline services, Airline supply-demand balance	
Week - 6		Cost Classifications: Costs over time and sunk costs, Total, fixed, variable, average, mixed and marginal costs, Operating leverage, Explicit, implicit and opportunity costs, Accounting / economic costs; Cost Function: Linear cost function, Cubic cost function, Use of cost functions in making managerial decisions, Economies of scale and scope; Airline Industry Cost Structure: Direct operating costs, Why airlines have difficulty in meeting their costs; Scale, Coverage, Density, Break-even Analysis and Operating Leverage in Airline Economics	
Week - 7		Midterm Exam	
Week - 8		History of International Agreements: Havana convention, Warsaw convention, 1944 chicago convention; Air Transport Freedoms: Transit passage, First and second freedoms, Freedoms in air traffic, Third, fourth and fifth freedoms, Cabotage, Six, seven, eight and ninth freedoms, Sequential and independent cabotage; Open Skies Agreements: Inception, Open skies features, Benefits of Open skies	
Week - 9		Global Airline Alliances: Types of alliances, Strategic alliance, Interline, Code sharing, History of global airline alliances, Three global airline alliances, Star alliance, Oneworld, Skyteam, Comparison of three alliances, Benefits of global alliances, Benefits to consumers, Benefits to service providers, Global alliances disadvantages, Disadvantages for consumers, Disadvantages for service providers	
Week - 10		Overview of Economic and Social Impacts: Airways, Civil aviation, Impact channels; Direct, Indirect and Induced Effects: Employment, Airports, Indirect effects, Induced (Incentive) effects; Catalytic Effects: Tourism sector, GDP, Trade, Air cargo transportation, Air traffic, Efficiency and leading innovation (R&D), Investment relationship; Covid-19 Impacts: Consumers, Airplanes, Fuel, Labor, Infrastructure, Regions, A simple forecast of the future	

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Week - 11		Social Impacts: Qualified workforce, Place in social life, Responding to disasters, Supporting UN, unicef and charities, Safety culture, Impact of aviation on environment, Circular economy, Green manufacturing (production), A critical view; Turkish Airlines (THY): THY's economic size and impact, Domestic and international connections, e-commerce and cargo, THY after Covid-19, operating profit and loss	
Week - 12		Perfect Competition Market: Conditions of perfect competition market, perfect competition market and efficiency; Monopoly Market: Characteristics of monopoly market, Pricing and consumer satisfaction in monopoly market, Monopoly market and aviation sector; Monopolistic Competition (Monopolistic Competition) Market: Quality differentiation, Regional differentiation, Price and output level in monopolistic competition market; Oligopoly Market Structure: Oligopoly market and aviation sector, Two different faces of oligopoly markets, Oligopoly market models, Competition in the oligopoly market	
Week - 13		Fundamentals of Safety in Aviation Sector: Accident, Incident, Close contact in the air, pilot deviation, Runway violation, Error and violation, Danger; Evolution of Safety in Aviation Sector: Influential period, Recent period; Incentives that Motivate Aviation Safety: Passenger responses, Labor responses, Financial concerns, Insurance costs and liability risk, Government sanction; Reasons for Decreasing the Safety Level in the Aviation Industry: Flight crew error, Aircraft malfunction, Weather conditions, Airport/Air traffic control, Maintenance activities and other factors; Fundamental Economics and Organization of Safety in Aviation	
Week - 14		Final Exam	

Learning Outcomes

#	Learning Outcome
1	To be able to remember the events in the international arena in the aviation sector and especially in the development of aircraft in a historical context.
2	To be able to explain the definition and characteristics of economy
3	To be able to define the demand and supply functions of the airline industry and explain their characteristics.
4	To be able to comprehend the structure and importance of costs in the airline industry
5	Explain the importance of international agreements and alliances in the airline industry.
6	To be able to express the basis and ways of the relationship between aviation and economic growth
7	To be able to comprehend the characteristics of perfect competition, monopolistic competition, monopoly and oligopoly market structures in order to understand the market structure of the aviation industry.
8	To be able to explain the importance of safety in the aviation industry, its economic basis and the reasons that affect safety.

Sustainable Development Goals

No content has been provided.

Course Theme

No content has been provided.

AKTS Workload

Activity	Duration (Hour)	Count	Workload
Teorik Derse Katılım	0	0	0
Sınıf Dışı Çalışma (Ön Hazırlık & Pekiştirme Amaçlı)	0	0	0
Ödevler	0	0	0
Proje - Rapor - Sunum Hazırlama	0	0	0
Ara Sınav Hazırlığı (sınav süresi dahil)	0	0	0
Final Sınavı Hazırlığı (sınav süresi dahil)	0	0	0
Uygulama (Laboratuvar, Müzik/Enstrüman Uygulaması, Atölye/Saha Çalışması vb.)	0	0	0
Staj Uygulaması	0	0	0
		Calculated ECTS	**0**

Assessment Method and Passing Requirements

No content has been provided.

Assessment Method and Passing Requirements	Quamtity	Percentage (%)
1.Midterm Exam	1	30
Final Exam	1	70
	Sum (%)	**100**