2nd OPPORTUNITY EXAMINATION
(This paper consists of 3 pages inclusive of this front page)

INSTRUCTIONS

• Answer all four (4) questions.
• Write neatly and legibly in ink.
• Closed Book Examination.
QUESTION 1
1. Discuss Intermodal Transportation under the following headings?
   1.1 Piggyback
   1.2 Containerization
   1.3 Third-party Transportation
   1.4 Surface Forwarders
   1.5 Special Carriers Forms

   Sub-total: 25 marks

QUESTION 2
2. Critically analyze Air Freight Forwarders under the following Areas?
   2.1 Characteristics
   2.2 Service Benefits
   2.3 Air Freight Forwarders Future
   2.4 Freight Brokers
   2.5 Roles in General

   Sub-total: 25 marks

QUESTION 3
3. Critically analyze the carrier operating conditions?

   Sub-total: 25 marks

QUESTION 4

The U.S. Airline Industry Public Support

After the September 11 terrorist attack in 2001, the U.S. airline industry was grounded by the federal government for security reasons. During this forced grounding, the air carriers faced ongoing expenses, but not income. After the grounding order was lifted, the airlines began to restore flights, but the flying public as not flying. Planes were virtually empty, so the air carriers reduced the number of flights and placed planes in mothball storage.
The financial plight caused by the grounding and subsequent reduction of demand was tremendous. Congress passed emergency legislation to provide operating funds for the air carrier to assure the U.S. citizens would have a viable air carrier system. These public monies helped sustain the industry while the flying public overcomes its fear of flying.

In 2004 a number of major air carriers are either in bankruptcy of facing bankruptcy. There is again a call for federal bailout of money to help support the vital air carrier industry. There are opponents who claim the air carrier plight is a result of mismanagement, overly aggressive flight scheduling that caused over capacity, and an overall reduction in demand from the business community that is increasingly relying on video conferencing, teleconferencing, and e-mails for communication rather than face-to-face meetings.

**Case Questions:**

1. What are the four (4) arguments in favour of the Federal Government providing financial support to the U.S. Airlines? [10 marks]

2. What are the four (4) arguments against the Federal Government providing financial support to the U.S. Airlines? [10 marks]

3. If Federal financial assistance is provided, should the air carrier and/or flying public be expected to repay the Federal Government? If so what form of repayment would you suggest? Why? [5 marks]

Sub-total: 25 marks
Grand Total: 100 Marks