

**Set -1**

**Central University of Jammu**

Course Title: Travel Agency Management & Tour Operations

Course code: PGTTMIC005T

Time: 3 hours

Total Marks: 100

**Section: A**

All the questions are compulsory in this section. Each Question carries 1.5 marks.

(1.5X10=15)

1. At its founding, IATA had \_\_\_\_\_ members from 31 nations.
  - a. 57
  - b. 56
  - c. 55
  - d. 54
2. The modern IATA is the successor to the \_\_\_\_\_.
  - a. International Air Tracking Association
  - b. International Air Traffic Association
  - c. Intercontinental Aero Traffic Association
  - d. International Aero Traffic Association
3. Tourism Finance Corporation of India Ltd.(TFCI) has been set-up as an All India Financial Institution, pursuant to the recommendations of "National Committee on Tourism" set-up under the aegis of \_\_\_\_\_ in 1988.
  - a. Finance Commission
  - b. Tourism Commission
  - c. Planning Commission
  - d. None of the above
4. UFTAA's Golden Jubilee Congress was celebrated during
  - a. 2013
  - b. 2014
  - c. 2015
  - d. 2016
5. The chairman of ICPB is
  - a. Suman Billa
  - b. Chander Mansharamani
  - c. Anaresh Tiwari
  - d. None of the above
6. IATO was established in:
  - a. 1981
  - b. 1982
  - c. 1983

- d. 1984
7. TAAI was formed in:
- a. 1950
  - b. 1951
  - c. 1952
  - d. 1953
8. The headquarters of ASTA are located in:
- a. Los-Angeles
  - b. California
  - c. Washington
  - d. Florida
9. The PATA Foundation established a Nepal Earthquake Tourism Recovery Fund to assist the PATA Nepal Chapter in its tourism industry recovery efforts on
- a. May 3, 2015
  - b. May 4, 2015
  - c. May 5, 2015
  - d. May 6, 2015
10. In 2015, Hall of Fame was given by IATO to
- a. Parvez Diwan
  - b. R.H.Khwaja
  - c. Rajvir Singh Dundlod
  - d. P. Mohammad Ali
  - e. None
- Options are:
- a) A & B
  - b) A & C
  - c) C&D
  - d) A&D

**Section: B**

Answer any five (05) questions, at least one from each unit. (5X8=40)

UNIT-1

11. Write a note on onsite travel houses?

Or

12. What is modern concept of travel agency business?

UNIT-2

13. What is a tour operator? Explain its types?

Or

14. What is a reservation and cancellation procedures for Airlines?

UNIT-3

15. Why is IATA regulations required? And what are the guidelines to obtain IATA certification?

Or

16. What are RBI regulations for Tour operators?

#### UNIT-4

17. What are e-travel agencies? What are the merits & demerits associated with it?

Or

18. What are important considerations for Itinerary preparation?

#### UNIT-5

19. Write a short note on ASTA.

Or

20. What are the functions of ICB?

#### Section: C

Answer any three questions. The case study (Q.25.) is compulsory: (3X15=45)

21. Write a detailed note on Make in India. What impact it can do on tourism industry?
22. Write a detailed note on genesis of American Express and evolution it has undergone till date?
23. What is TFCI? And what are sources of funding it gives for tourism? Also explain its other functions? (5+5+5)
24. Explain the role of PATA in Asia-Pacific region?

#### 25. Case study:

Various authors emphasize different elements of business ethics (Lewis, 1985; D'Amore, 1993; Connock and Johns, 1995; Dunfee, Black, 1996; Malloy, Fennell, 1998; Trevino and Nelson, 1999; Stevens, 2001; Orme and Ashton, 2003; Ristić, 2004; Fennell and Malloy, 2007; Bogdanovic, 2008; Minciu, 2008; Dornier, Cothias, Loussaief, 2011; Jovicic, Pivac and Dragin, 2011; Miskovic 2012). Lewis defines business ethics as rules, standards, codes or principles, which provide guidelines for morally right behavior and truthfulness in specific situations (Lewis, 1985, 381). It is about fairness and decision what is right or wrong, about defining the practices and rules, which underpin responsible conduct between individuals and groups (Connock and Johns, 1995). Ristić (2004) points out that the subject of business ethics is a cut which is formed by the blending of moral and economic aspects of business. Modern concept in managing business ethics is the concept of social responsibility of a company as one of the ways of ethical impact of the organization with the aim of achieving public good, in other words, well-being of the society in general. Socially

responsible business represents a duty of governance structure of a company towards the profit and interests of the society, which gives the society sustainability and development and which is under the influence of the activity and policy of the organization (Dragin, 2011). The aim of this research was to examine under what ethical standards a tour operator do business in Serbia in the cooperation with different stakeholders, which has been also done on the example of TUI company. The consideration and the analysis of the relationship of TUI towards its end-users – tourists have been excluded, because they have to be the subject of a specific examination.

TUI was founded in 1968. To this day, it has expanded its sales network in 18 countries with over 3,500 offices. There are 120 airplanes, 10 cruisers and 285 hotels in TUI's ownership (TUI documentation). The TUI turnover in financial year 2012-2013 was 18,500,000,000 euros and the earnings in the same year were 762,000,000 euros. Final annual salary was 187,000,000 euros after the deduction of amortization, interest and tax-fees. The Group has over 74,400 employees. (<http://www.tui-group.com>). TUI company has developed and implemented a model of organizational and economic activities based on three business domains: TUI as a company, franchises and intermediaries. TUI as a company has its branches: TUI Germany, TUI Austria, TUI Netherlands, and Thompson in Great Britain. The headquarters of TUI are in Hannover (Germany), although all branches have their own defined degree of independence. Franchises, as it are the case with Serbia or, for instance, with Romania, are under the control of the nearest branch. In the case of the Balkans, it is Austria. In order that franchises become partners of TUI, a trade is to be made, defined by the size of the market on which the agency operates. Intermediaries are the last in the range. They have the least rights, but also the least obligations. Intermediary agencies sell only TUI services to end-users and they are allowed to receive certain commission. This will be discussed in more details.

The aspects of business are defined by the standards of the company's brand and segmentation of available jobs. TUI standards are strictly defined by the contracts with which all branches, franchises and intermediaries must comply. There is a book of rules which starts from the point of how offices should look like, but also a book of rules about the basic values of the company, which will be considered through business ethics, in other words, ethical codex. In Serbia, officially from 2009 ([www.tui-reisecenter.rs](http://www.tui-reisecenter.rs)), TUI has its own business code of ethics, published by the headquarters in Hannover (<http://www.tui-group.com>). TUI in Serbia is an exclusive representative of TUI brand in ex-Yu countries, except Slovenia: Serbia, Croatia, Montenegro, Macedonia, Bosnia and Herzegovina and Albania. By obtaining a franchise, the right to the use of logo and owning brands of TUI is gained, but also the range of specific standards which must be met. What is characteristic is that TUI partners do not create the travel plans independently, but the act only as intermediaries. They are allowed to receive certain commission for a made trade and they are given the possibility to develop professionally with a small participation, or for free. Moreover, depending on the success of the representation, the participation donated by TUI for the investment in marketing depends. By signing the contract, it is precisely defined what growth is expected from the recipient of a franchise and the

ways of the offer presentation, technical and decorative solutions about the space arrangement, the ways and possibilities for advertising, work in systems, protection and keeping of the brand.

Considering the fact that TUI in Serbia is a representative of other German tourist brand, such as FTI, Neckermann, Thomas Cook, Vtours, in order to create conditions so as not to lose the franchise, it is predicted by the contract how much participation of the total trade must be made via TUI product (TUI documentation in Serbia, 2013), which is correct, considering the fact distributors of the franchise have permitted the service sales of the competition in their outlets. Franchisors have the right to visit franchisees even without a prior notification and the franchisees have the same right as well in relation to subagents. For obtaining a franchise, the bank guarantee is needed. One of the questions of business ethics being posed is that TUI Austria can hand over its logo for use to a legal entity (e.g. from Serbia) if they leave the bank guarantee without the consent of TUI in Serbia. This can be viewed as the infringement of the credibility of franchisors in Serbia. This creates the possibility of the reduction of business of the franchise holder, because a part of the market is given to the agencies which have submitted the bank guarantees. What more, in 2013 in Serbia, the openings of companies with headquarters in Germany are being noticed in Serbia and they do not have the licence in Serbia. These tour operators are, so-to-speak „out of control“ because they operate in their own way, not complying with the laws governing in Serbia. Like all countries in transition, the laws do not cover all domains of business in Serbia as well, which creates possibilities for various type of manipulation. Yet, the questions arise how it is possible that some foreign agency runs a business without the licence when the inspection controls are rigorous when checking the business activities of travel agencies and the conditions for obtaining the licencea business without the licence when the inspection controls are rigorous when checking the business activities of travel agencies and the conditions for obtaining the licence.

- 1) Give a suitable title to the case study. (2)
- 2) “The expressions of innovation and creativity are mis-equated with each other. Socially responsible business represents a duty of governance structure of a company towards the profit and interests of the society, which gives the society sustainability and development and which is under the influence of the activity and policy of the organization”. Justify (4)
- 3) “TUI standards are strictly defined by the contracts with which all branches, franchises and intermediaries must comply.” What does the statement tries to communicate? (4)
- 4) How TUI operates its business in Serbia? (5)