Communications and Transport Systems
Department of Science and Technology
Linköping University

Fall 2023

Dr. Christiane Schmidt

TNFL01 - flygtrafik och flygtransporter
Homework Set 4, 2023

Solutions for the responsible group are
due September 25, 2023, 23:59. Solutions by all group are due September
28, 10:00. **Please put your name
on all pages!**

Differential Pricing You and your partner Mister Easy bought a small
airline, FlyXY, which is serving a single route between two European capitals.
Mister Easy suggests to simply sell all tickets for the same price P. You
know that this is not a good idea, and want to give a detailed argument
why you should indeed use differential pricing. To make your argument to
Mister Easy you may assume that you have a simple price-demand curve, and
have exact knowledge about how many people have what willingness-to-pay
(WTP). Explain what differential pricing is. Argue for a start why it will be
beneficial for FlyXY to sell tickets at two different prices, $P1$ and $P2$, with
$P1 < P < P2$, and why your customers will be satisfied with that as well.
bigskip
The assignment should be handled in groups and a short report should be
submitted.
The report should be uploaded to lisam no later than the due date.

It should be noted that the memo will be sent to URKUND (`http://www.urkund.com`), a plagiarism checker to ensure original content.

The presentation of the responsible group and the opposition will take place
on **September 29**.
Until the day of the seminar all students are expected to read the report.
Assessment criteria

- You should comply with the assignment and all relevant questions
  should be discussed.

- Background facts should be correct; content has to be objective and
  relevant and a red thread should run through the high quality text.

- Good structure, layout and outline; the text should be easy to read and written in good, understandable English.

- Sources should be relevant and sources must be stated clearly.