

Airline
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LOADING INSTRUCTIONS

The procedure for loading a program into your Spectrum is given on page 146 of the manual. Please follow these steps for loading a program.

1. Connect the ear socket of the computer to the ear socket of your tape recorder.
2. Set the volume control as per Sinclair manual.
3. Adjust the tone control to maximum.
4. Type LOAD "AIRLINE".
5. Start the tape recorder. The program will RUN automatically once loaded
6. The program takes 2 minutes to load.

INSTRUCTIONS

1. OBJECT OF THE GAME

You are the Chairman of L-AIR, an airline which starts up business with £3 million. You have 7 years to increase your net assets to £30 million which will enable you to raise enough finance to take-over British Airways. Situations and costs are realistic. The need to create revenue to cover fixed costs soon becomes apparent to the player. The program provides a good opportunity for you to see if you can be more successful than Sir Freddie!

2. INFORMATION AVAILABLE

Bar chart forecasting pay-load i.e. passengers/miles, market Histograms showing Charter Rates expected for next year.
Graph showing Interest Rate for next year.
Profit & Loss Account and Balance Sheet.
Financial Times report.
Telex messages.

3. BUSINESS DECISIONS REQUIRED

You may either charter, buy or sell aircraft.
You have to decide on how many aircraft to operate.
Levels of staffing, maintenance and insurance.
Whether or not to enter into long-term fuel contract.
Whether or not to repay loans.

4. PROBLEMS ENCOUNTERED

Tax demands.
Increase in fuel costs.
Loss of revenue through
- cancelled flights
- strikes
Hijacks, air crashes and sabotage.

5. GRAPHS AND CHARTS

Bar Chart - Passenger Payload.
The first chart to be displayed is a bar chart showing a forecast of the Passenger Payload for each level of activity. Generally it is best to select the number of aircraft with the highest payload factor. However, you should consider

the forecast of charter rates and the number of aircraft which you already own.
Histogram - Forecast of Charter Rates.

This chart showing a quarterly forecast of the Charter Rates for the coming year. If Charter Rates are high it is usually best to charter fewer aircraft.

Graph - Forecast of Monthly Interest Rates.

The graph plots a forecast of monthly interest rates and also plots a 12 month moving average of interest rates. When Charter Rates are above normal it is cheaper to borrow money and buy aircraft instead of chartering. However, you should consider that the market rate for each DC10 is £10 million. When aircraft are bought for more than £10 million the additional cost will reduce your net assets as it will be debited against Capital Reserves.

6. HINTS FOR PLAYING

a. From information in pay-load bar chart, decide on the best high and low number of aircraft and take decision after watching level of Charter Rates expected.

b. Cost of interest on loans needed to purchase aircraft is usually less than the cost of chartering the equivalent number of aircraft.

c. Buy or sell aircraft when allowed to do so, but remember they have a market value of only £10 million.

d. Risk of cancelled flights are higher due to lack of crew than lack of maintenance. Cost of crew is £50.000 per level per DC10. Cost of maintenance is £90.000 per level per DC10. Penalty for cancelled flights is £30.000 per flight per DC10 operated.

e. It usually is not worth the risk of having low insurance cover. Cover is cumulative, i.e. if you key 3 you are covered for both accidents to aircraft and claims from passengers and other third parties. Cost £20.000 per level per DC10 operated.

f. Fixed overheads amount to £3.25 million, therefore losses may result even with a good pay-load factor when only one or two aircraft are operated. However, if the pay-load is poor for other levels, much greater losses may be incurred if one chooses to operate more aircraft.

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