

Airline Profit Maximization

Revenue				Costs						
(Thousands) (Dollars/ RPM)				------(Thousands of Dollars)-----					(Percent)	
RPM	Yield	TR	MR	ASM	TFC	TVC	TC	MC	TR-TC	Load Factor
800	\$0.265	\$212.00	-----	1000	\$100	\$160	\$260	-----	\$-48.00	80%
1275	0.260	331.50	\$119.50	1700	100	170	270	\$10	61.50	75
1820	0.255	464.10	132.60	2600	100	240	340	70	124.10	70
2210	0.250	552.50	88.40	3400	100	300	400	60	152.50	65
2400	0.245	588.00	35.50	4000	100	370	470	70	118.00	60
2475	0.240	594.00	6.00	4500	100	450	550	80	44.00	55
2500	0.235	587.50	-6.50	4900	100	540	640	90	-52.50	51
2515	0.230	578.45	-9.05	5200	100	650	750	110	-171.55	48
2520	0.225	567.00	-11.45	5400	100	780	880	130	-313.00	47

Profit Maximization Solution: ASM 3400
 RPM 2210
 Yield \$0.250
 Load Factor 65%
 Profits \$152.5