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## Re-Examining the Factors Affecting Systematic Risk of the Airline Industry

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## Re-Examining the Factors Affecting Systematic Risk of the Airline Industry

### ABSTRACT

Risk is often described by investors as the uncertainty of a business' success or failure, and in order to maximize shareholders wealth, managers must monitor risk. Given the competitive nature and volatile costs structure of the airline industry, understanding risk is important to effectively manage this business. Using time series and regression analysis, this study re-examines how systematic (market related) risk of a company's common stock is linked to corporate behavior and financial performance for selected airline firms. Also, this study tries to explore the argument whether airline betas drift over time.

Key words: *Systematic risk, airline industry, financial performance*