Name: **Enrolment No:**	UPES UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM & ENERGY STUDIES

End Semester Examination – Dec- 2021

Program: BBA OIL & GAS **Semester: III**
Subject: Petroleum Retail Management & Development **Max. Marks: 100**
Course Code: OGOG 2006 **Duration: 3 Hours**

SECTION- A

Each Question will carry 2 Marks

S.No.	Question	
Q.1	**MCQs:** 1. Which company has the largest network of Retail network in India? Exxon Mobil Castrol Shell IOCL 2. What id full form of DLP Dealer loyalty price Dealer landed price Dealer laying price None of the above	**CO1**
Q.2	**Define the application of following products:** 1. ADDITIVES………………………………. **2.** BITUMIN……………………………………	**CO1**
Q.3	A ______________involves the use of a successful brand name to launch new or modified products in a new category.	**CO1**
Q.4	We define a ________ as anything that can offered to a market for attention, acquisition, use, or consumption and that might satisfy a want or need.	**CO1**
Q.5	__________ is a location where goods and services are exchanged	**CO1**
Q.6	.____________________ is the practice of keeping the price of a product or service artificially high in order to encourage favorable perceptions among buyers, based solely on the price.	**CO1**

Q.7	In ____________________, the price set by the monopolist to discourage economic entry into a market	**CO1**
Q.8	**Define the application of following products:** 1. HSD………………………………. 2. NAPTHA……………………………………	**CO1**
Q.9	**MCQs:** 1. The model that calculates the cost of producing the product and adding on a percentage profit to that price as selling price is known as: Limit Pricing Model Cost plus model Market oriented pricing Skimming 2. Setting a price based upon analysis and research compiled from the target market is termed as Limit Pricing Model Cost plus model Market oriented pricing Skimming	**CO1**
Q.10	**Define the application of following products:** 1. ATF………………………………. 2. LPG……………………………………	**CO1**

SECTION- B

Each Question will carry 5 Marks

Q.1	Explain the Niche marketing concept related to petroleum retail organizations.	**CO2**
Q.2	Mention ten organizations of Petroleum sector and their present RETAIL projects in India.	**CO2**
Q.3	Differentiate between CNG vs. Auto LPG retail outlets.	**CO2**
Q.4	Describe reasons of increasing the oil prices and their impact on Petro Retail Sector of India.	**CO2**

SECTION- C

Each Question will carry 10 Marks

Attempt any 3 out of 4

Q.1	Explain the difference between B2B and B2C business with respect to petroleum business with examples.	**CO2**
Q.2	Describe the LAPSNOTE concept for B2B marketing.	**CO2**
Q.3	Describe 80:20 ratio concept of petro retail business with examples.	**CO2**
Q.4	Analysis the concept of Key account management and how it will be useful for Petro Retail sector in India.	**CO3**

SECTION- D

Each Question will carry 15 Marks

	CASE STUDY: Indian Petro Retail Sector Marketing of Petroleum Products Marketing of refined products in India is done mainly by the four public sector undertakings (PSUs), namely IOC, HPCL, BPCL and IBP Company Limited (IBP). While IOC, HPCL and BPCL have integrated operations in refining and marketing, IBP is a pure marketing company and has been taken over by IOC in February 2002 following disinvestment of Government of India’s stake in the company. Until recently, the marketing sector was strictly under the control of Government of India (GoI). However, the GoI has now decontrolled this sector. With effect from April 1, 2002, pricing of all products are linked to import parity prices. While the administered pricing mechanism for LPG (domestic), SKO (PDS), MS and HSD have been dismantled, prices of LPG (domestic) and SKO (PDS) are partially subsidized. While the four Public sector units account for 90.5% of the total sales of petroleum products in India, the balance 9.5% sales is accounted for by imports/sales of decontrolled products by private parties. The Government granted marketing rights for automotive fuel,	

in June 2002 to four companies--Reliance Petroleum, ONGC, NRL and Essar Oil. However, as ONGC and Essar Oil did not have operating refineries, the Government had asked them to provide information on product sourcing from these two companies. These four companies propose to set up 8659 new outlets in the country. The four state-owned oil companies dominate the marketing of petroleum products in India today. The marketing of most petroleum products was completely controlled by the government through the above corporations until the early 1990s. The Oil Coordination Committee, a regulatory body of the government of India, allocated the refined products to various marketing companies. In addition, the prices of most petroleum products were fixed under the administered pricing mechanism. As a result of economic liberalization measures of the government of India, implemented over the past few years, many products have been de-controlled for private sector companies to market them at the market-determined prices, e.g. lubricants, greases, benzene, toluene, naphtha, LPG, aviation turbine fuel, kerosene, fuel oil, bitumen etc. Except for ONGC, all other companies have witnessed a double-digit growth. The average performance of ONGC was because of lower production of the Mumbai High fire and restricted growth in realization because of rise in subsidy burden, which is offered in the form of discounts. CPCL witnessed jump of 84.2% year on year (yoy) growth, as the new capacities were operational against lower utilization in Q2 FY05 because of stabilization phase of 'hydro cracker' unit. Other companies' growth was primarily driven by surge in realizations as the product prices surged across the globe and for the fact that the Government increased the prices of auto fuels. Both the petrochemical companies registered robust growth as petrochemical prices revived after witnessing a lull phase in Q1 FY06. Among the three integrated oil marketing companies only BPCL registered a loss at the operating level against all registering a loss in Q1 FY06. The improved performance was mainly due to the increased auto fuel prices, higher subsidy sharing by ONGC, subsidy sharing by pure refining companies and higher inventory gains. BPCL was an under performer in the sector as the company's new 'hydro cracker' unit was brought online and generally it takes a couple of quarters for new secondary units to stabilize. Consequently, the GRMs and operating margins decreased considerably. Driven by a boom in the automobiles sector, demand in the Indian oil sector has been growing consistently. Overall sales of petroleum products grew by 1.2 per cent in March 2005 compared to March 2004. The following are the points highlight the industry's performance in the year 2004-05.

• Petrol sales increased 3.4 per cent, with higher retail sales.

• Kerosene sold through public distribution and cooking gas or LPG recorded growth of 8.4 per cent and 3.4 per cent respectively.

• Sales of furnace oil and low Sulphur heavy stock, used mostly by small industrial users, rose 12.8 per cent indicating a growth in the manufacturing sector.

• Aviation turbine fuel also sold 16.2 per cent more than last year.

With more airlines lying plying an increased number of routes within and to India, these sales are expected to rise further. India ranks sixth in the world in terms of petroleum demand, of which 70 per cent is met through import of crude oil. By 2010, India is projected to replace South Korea and emerge as the fourth-largest consumer of energy, after the United States, China and Japan. India's crude oil production rose 2 percent to 34.04 million tonnes, or about 680,000 bpd in 2004/05 but imports rose 5.4 percent driven by higher domestic sales and soaring exports.

Imports rose to 95.3 million tonnes, or about 1.9 million bpd, in the year March 31 from 90.40 million tonnes in the previous year. Crude oil imports have risen faster than domestic demand because of growing exports of refined products. Exports of refined products in April-February, the first 11 months of the fiscal year, rose 24.8 percent to 16.1 million tonnes.

Q.1	Create the Vertical and Horizontal product extension for Petro Retail organization.	**CO3**
Q.2	Develop market entrance strategy for Petroleum MNC in Indian market.	**CO3**