

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Exam, May 2019

Course: Basics of Petro-economics

Semester: IV

Programme: BBA OG

Time: 03 hrs.

Max. Marks: 100

Code :ECON 2013

Instructions: Please answer the questions of all sections and questions.

SECTION A

| S. No. | | Marks | CO |
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| Q 1(1) | Please state true or false or fill up the blanks or Tick One, as the case may be | 10X1=10 | CO |
| | 1. The 'Eco-Friendliness' perspective of Natural Gas lies mainly in less polluting characteristics , as a comparative advantage over Crude Oil.....T/F | | |
| | 2. Fair Prices and long Term business is primarily the objective of maintaining good international relation, for crude oil trading.....T/F | | CO1 |
| | 3. The trading name of the natural gas distributed by CGD companies is | | CO2 |
| | 4. The main consumption of CNG is in | | CO3 |
| | 5 MNCs have the advantage of superior technological and managerial skills When forming Joint venture alliances.....T/F | | CO4 |
| | 6 The production of crude oil produced is the basis of formation of PSC.....T/F | | CO3 |
| | 7. The important components of LPG are Propane and Ethane.....T/F | | CO2 |
| | 8. Peaking of Oil is associated with Oil Replenishment/Depletion....(Tick one) | | CO3 |
| | 9. The role of Government in forming Joint Venture agreements in important/ Unimportant.....(Tick One) | | CO1 |
| | 10. The process of conversion of LNG back into Gas , in the importing country is ..T/F | | CO2 |

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| Q1(2) | <ol style="list-style-type: none"> 1. Explain the concept of product separation in the process of Distillation in oil refining Name a few refined products. Explain the reason behind reduced LPG prices, in India. 2. Give a brief description of the importance of study of Geopolitics, in connection with Reducing the price of oil imports. Briefly describe the three oil shocks. 3. Explain your understanding of the desire of having High Methane content in Natural Gas . 1BTU=.....Kcal. What do you understand of the relevance of bond numbers in the product forming of the Natural Gas Business. 4. Give your understanding on the type of government control you would prefer in forming Joint Venture Alliances. What do you understand about the satisfaction of the customer in meeting in present marketing world. 5. Give your understanding of the need for subsidizing Petroleum Products in India. How does subsidies contradictorily affect the quality aspects of satisfying the customer needs. | 3x5=15 | <p>CO1</p> <p>CO2</p> <p>CO3</p> <p>CO4</p> <p>CO4</p> |
| SECTION B | | | |
| Q 2 | Please answer in brief: | 5X5=25 | CO |
| | <ol style="list-style-type: none"> 1. Give your analysis of the importance of competition in meeting the quality requirements of the people. How does competition ensure price, supply and higher standards of living. 2. Explain the benefits of a Market Driven economy over a Centrally controlled economy. What are the constraints which necessitate the formation of a centrally controlled economy in India .State some advantages of it. | | CO3 |

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| | <p>3. What are the three oil shocks you know of, Explain them in brief giving the price fluctuations, as a consequence. What is India's concern for cheap/good prices for Crude oil in matters of Foreign Exchange savings.</p> <p>4. Give you understanding of the term, 'Peaking of Oil'. Explain your understanding of the Bell Shaped (Hubbert Curve), plot. Explain the four schools of thought in connection with the concept. What is your opinion on the awareness of people in knowing and preparing for Oil Depletion and Oil conservation.</p> <p>5. Name and explain a few components of the Refinery Product pricing. Explain their significance. How do you broadly relate to the energy conservation measures relevant to Cost saving.</p> | | <p>CO2</p> <p>CO1</p> <p>CO2</p> <p>CO3</p> |
| <p>SECTION-C</p> | | | |
| <p>Q 3</p> | <p>Please read and answer the following questions in detail:</p> | <p>10X3=30</p> | <p>CO</p> |

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| | <ol style="list-style-type: none"> 1. Explain briefly and analyse the concept of Paper and Physical Market. What are the players in the physical market. What is paper market and how are they different from each other. How do they individually contribute to Crude oil Pricing. 2. Explain concepts of Production Sharing Contract. Explain the derivation of ‘Contractor’s Take and the different stages of deductions . What is the mutual interest between the IOC and IOC informing Joint Venture Alliances. 3. Give in brief the derivation of the mechanism of Domestic Natural Pricing Gas in India. Explain the importance of the application of NetBack Pricing in such mechanism. | | <p>CO3</p> <p>CO1</p> <p>CO2</p> |
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| SECTION D | | | |
| Q4 | Please read the case and answer the questions: | 10x2=20 | CO |
| | <p>The number of global oil majors weighing options to invest in India’s retail fuel space is impressive as pricing deregulation allows private firms to compete with state companies.</p> <p>Since the BJP-led government came to power in 2014, New Delhi has taken some concrete steps to align domestic fuel pricing with market forces.</p> <p>One of the most significant reforms undertaken by the government was the deregulation of diesel—unshackling a decades-old subsidy regime—that has created a level-playing field for private companies. The diesel market’s deregulation came</p> | | |

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| | <p>four years after gasoline prices were deregulated in 2010. As a result, fuel marketing in India has become a profitable business.</p> <p>Couple deregulation with one of the strongest pockets of global oil demand growth and it's easy to see why several foreign majors have set their sights on India.</p> <p>India's oil product consumption growth is expected to outpace China's for a third year in a row. Indian oil product demand is likely to grow 7% to 4.13 million b/d in 2017, whereas China's oil demand is expected to rise only 3% to 11.5 million b/d in the same period, according to Platts Analytics.</p> <p>Royal Dutch Shell was the first overseas oil company to venture into the Indian market. In October 2016, UK major BP was given the go-ahead to set up retail fuel outlets in India, becoming the second global major to enter into the country's retail oil sector.</p> <p>Late last year, Russia's Rosneft and a consortium led by Trafigura agreed to jointly buy Essar Oil, in an effort to expand their footprint in the country's retail fuel sector.</p> <p>A)Identify and analyze challenges for private players in the Indian fuel retail .</p> <p>B) Explain the main attraction for a MNC to invest in India.</p> <p>What do you suggest a suitable strategy to be to promote foreign investment in India.?</p> | | <p>CO3</p> <p>CO4</p> |
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