University of Petroleum Energy Studies
College of Management & Economics Studies
End-semester Examination, May 2017

Subject : POL Retailing	**Semester: II**
Course : MBA (OG)	**Time: 2 hrs**
Course Code : MDSO 831	**MM: 100**

This paper has three pages.

Note: For Section C & Section D, provide only details/information relevant to the question asked, please avoid providing information, which is not relevant to the question.

Section A:
(Maximum Marks – 20)

1) Indicate "True" or "False" **OR** fill in the blanks (as applicable in the following sentences: (2 marks each)   (12 marks)

   a. Cost-plus pricing is the simplest and most common pricing method (True/False).
   b. Refueling time for filling Auto LPG is higher as compared to filling CNG (True/False).
   c. Study of Consumer behaviour is crucial for both _____ and _____.
   d. Now a days large no of retail customers wants to purchase _____product(s).
   e. In retail outlet dealer selection process for PSUs, there is no minimum education qualification for _____category.
   f. In e-commerce business, service provider or website operator does not accept any responsibility whatsoever about _____ and _____ etc.

2) Choose the most appropriate choice from the four given choices (2 marks each) (8 marks)
   a. In a petrol pump, by mistake nozzle liver of the dispensing unit got pressed and petrol coming out from the nozzle caught fire, the first action to be taken by the staff at the petrol pump should be, i) to extinguish the fire with the help of a DCP type fire extinguisher, ii) to sprinkle water and sand on the fire to extinguish it, iii) to shut off the fuel supply to the nozzle and iv) to use CO_2 fire extinguisher to spray CO_2 on the nozzle to cut off oxygen supply to distinguish the fire.

b. Customer's bargaining power is growing because i) of "Jago Grahak Jago" campaign, ii) customer has many choices, iii) customer is the king and iv) Government encourages customer to file complaint.

c. In dealer's selection process for PSUs, for which category, finance is not an eligibility criteria i) Physically Handicapped person, ii) Outstanding Sports person, iii) SC/ST person and iv) Freedom Fighter.

d. Auto Ignition temperature of which Auto fuel is lowest i) CNG, ii) LPG, iii) Petrol and iv) diesel.

Section B:
(Maximum Marks – 20)

Answer in brief (each question carries 4 marks)

3) What step will you take to avoid the possibility of fire due to static electricity, when you visit a petrol pump for taking fuel?

4) What is the importance of providing training to the retail outlet staff?

5) Briefly explain "Corpus Fund Scheme" in retail outlet dealer's selection process by PSUs.

6) Why SKO sales in India have continued to decline during the last decade?

7) Briefly explain the concept and benefits of Pradhan Mantri Ujjwala Yojana for LPG.

Section C:
(Maximum Marks – 30)

All questions in this section carry equal marks (10 marks each)

8) Briefly explain the Tank Truck decantation procedure at a retail outlet, including drawl of samples. What safety precautions should be taken during the decantation process?

9) What is the importance of lubricants for retail outlet business? What are important properties of automotive lubricants?

10) What are challenges for POL pricing in India? Why Government of India decided to abolish Administered Price Mechanism after 1998, in a phased manner?

Section D:
(Maximum Marks – 30)

11) The round trip distance for a resort location from your home is 300 KMs. Average mileage during the resort trip was 15 KM/litre of petrol. Assume density of petrol is 700 grams/litre and

empirical formula for petrol is C_7H_{16}. Calculate the weight of CO_2 produced during the resort trip. (10 marks).

12) In a city, there are three trading areas and three Oil marketing companies namely IOC, BPC and HPC. All three oil companies are considering setting up of new retail outlets (ROs) in the city. The relevant details are given below:

Trading Area (TA)	Before setting up new RO				After setting up one new RO	
	Total sales of all existing ROs in TA (KL/month)	No of existing ROs			Cost of setting up new RO in TA (Rs Lac)	Estimated sales of all ROs in TA after one new RO
		IOC	BPC	HPC		
A	900	4	2	0	300	980
B	100	2	0	0	60	120
C	180	1	1	1	120	200

Assume sale of each RO in a trading area (TA) is same (before setting up new RO in TA, as well as after the setting up new RO in TA). Assume maximum budget allocation under retail business head (including setting up of new ROs in the city) by IOC, BPC and HPC is Rs 400 Lac, Rs 200 Lac and Rs 300 Lac respectively. Also assume that all above data is readily available with all the three oil companies. Ignore construction time for setting up new RO. Based on the above information, answer the following questions:

a) What is average per pump throughput in trading area "A" before setting up new RO? (2 marks)

b) What is the estimated average per pump throughput in trading area "A" after setting up one new RO? (4 marks)

c) What options are available with each oil company for setting up one or more than one new ROs in three trading areas? (6 marks)

d) All oil marketing companies want to spend their retail business budget judiciously so as to maximize the returns on the money spend. What would be your advice to HPC for setting up one or more than one new ROs in three trading areas? Justify your proposed advice (8 marks)

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