

Name:
Enrolment No:



UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM & ENERGY STUDIES
End Semester Examination (Online) – July, 2020

Program: MBA Oil & Gas
Subject/Course: POL Retailing
Course Code: OGOG7004

Semester: II
Max. Marks: 100
Duration : 3 Hours

IMPORTANT INSTRUCTIONS

1. *The student must write his/her name and enrolment no. in the space designated above.*
2. *Answer any 5 questions. (Question no. 6 is mandatory)*
3. *The questions have to be answered in this MS Word document.*
4. *After attempting the questions in this document, the student has to upload this MS Word document on Blackboard.*

		Marks	COs
Q.1	You are invited as a consultant by the Sales Head of a Fast-Moving Consumer Goods (FMCG) company. During your first meeting with the Sales Head, it became apparent, that sales of some good quality products, which are well accepted in the market, are much below the expectation level and there is lot of scope to improve the sales and profit for the company. What information you will gather/obtain from the Sales Head for your evaluation? What steps/action you will take at your end and what will be your recommendations to the company for improving sales and profit?	20	CO 1
Q.2	Critically examine replenishment process issues for supply of petrol and diesel to petrol pumps in India. What are your recommendations for improving replenishment process issues?	20	CO 2
Q.3	Sales of which petroleum retail products in India are growing very fast? Critically examine reasons for fast sales growth of these retail products. Sales of which sensitive product in India is not growing? Critically examine the reasons for its not growing.	20	CO 2/ CO 4
Q.4	What is the importance of Lubricating oils? Critically examine why volumetric growth of Lubricating Oils is high in India and why volumetric sales of lubricating oils in other developed countries are not growing?	20	CO 4
Q.5	Why Government of India took more than six decades after independence in decontrolling prices of MS and HSD in India? Why many committees were set up to guide Government of India on pricing of petroleum products?	20	CO 5

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

Trading Area (TA)	Sales before setting up new ROs (KL/Month)			Sales after 1 year & after setting up new ROs (KL/Month)		
	Total sales of all existing ROs in TA (KL/month)	No of existing ROs			Cost of setting up 1 new RO in TA (Rs Lakh)	Estimated sales of all ROs in TA after 1 year with addition of one/more than one new ROs
		IOC	BPC	HPC		
A	912	3	2	1	290	1008
B	150	1	2	0	65	180
C	390	1	1	1	145	420

Estimated sales of all ROs in TA after setting up new ROs mentioned in last column is given after one year period and time required for constructing and setting up new RO(s) is also one year. Assume sale of all ROs in a trading area (TA) is same. For example, sales per RO in Trading area “B” before addition of new RO was 50 KL/month (150 divide by 3) and sales per RO after 1 year with addition of 1 new RO will be 45 KL/month (180 divide by 4), similarly sales after 1 year with addition of 2 new ROs will be 36 KL/month (180/5) and so on.

Assume maximum budget allocation under retail business head (including setting up of new ROs in the city) by IOC, BPC and HPC is Rs 360 Lakh, Rs 150 Lakh and Rs 290 Lakh respectively. Assume that all above data is readily available in public domain i.e. data of one oil company is known to other two oil companies. All oil marketing companies want to spend their retail business budget judiciously so as to maximize the returns on the money spend. Critically examine the above information and answer the following questions:

- What is the estimated average per pump throughput in trading area “A” after setting up one new RO? 2 marks
- How many options are available with HPC for setting up one or more than one new ROs in three trading areas? 8 marks
- What would be your advice to HPC as their consultant for setting up one or more than one new ROs in three trading areas? Justify your proposed advice? 10 marks

Q.6

20

CO 3

ANSWERS

