

Name:

Enrolment No:



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

Course: Basics of Petroeconomics

Semester: VI

Programme: BBA OG

Time: 03 hrs.

Max. Marks: 100

Code : ECON 132

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

SECTION A

Table with 4 columns: S. No., Question, Marks, and CO. It contains 10 questions related to petrochemicals and energy economics, with corresponding marks and CO values.

Q1(2)	<ol style="list-style-type: none"> 1. Explain very briefly the process of Oil Refining , in stages , namely , Separation, Conversion and Treatment. 2. Give a brief description of the importance of study of Geopolitics, in connection with Reducing the price of oil imports. 3. Explain your understanding of the desire of having High Methane content in Natural Gas . 1BTU=.....Kcal 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 affect the quality aspects of satisfying the customer needs. 	3x5=15	CO1 CO2 CO3 CO4 CO4
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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 with a neat diagram the concept of : <ol style="list-style-type: none"> a. Mother Station. b. Online station c. Daughter Station in CGD networks. 3. What are the three oil shocks you know of, Explain them in brief giving the price fluctuations, as a consequence. 		CO3 CO2 CO1 CO2 CO3

	<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.</p> <p>5. Explain briefly the objectives of Integrated Energy Policy. How does it contribute to Investments in Oil and Gas Sector in India, Rural upliftment, meeting the energy needs and enhancing the economic growth rate as a consequence.</p>		
SECTION-C			
Q 3	Please read the case and answer the following questions in detail:	10X3=30	CO
	<p>1. Explain briefly 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.</p> <p>2. Explain what do you understand by 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.</p> <p>3. Give in brief the derivation of the mechanism of Domestic Natural Gas in India. Explain the importance of the concept of NetBack Pricing in such mechanism.</p>		<p>CO3</p> <p>CO4</p> <p>CO2</p>
SECTION D			
Q4	Please read the case and answer the questions:	10x2=20	CO

India's search for energy resources starts at home. The major areas of oil and gas production are the Bombay High and Northeast region and recent discoveries in Rajasthan and the Bay of Bengal point to substantial additional reserves. India certainly has great potential, with 5.6 billion barrels of proven reserves and an estimated 80 percent of territory unexplored for oil and gas. After years of neglect and an investment framework that did not foster international (and arguably, Indian) interest in upstream investment, the last decade has seen some reforms and increased interest in India's hydrocarbons potential. This said it is unlikely that India's domestic resources, however well exploited, will be enough to tackle the country's ever-growing needs.

The result has been a mounting of India's international involvement in search of energy imports. When it comes to securing energy supplies, the world's leading importers have long recognized that the diversification of energy sources is a pivotal element, and accordingly they seek to build a rapport with energy producers worldwide. There are also obvious advantages to having a close relationship with energy producers nearer to home, including lower transport costs and the fostering of interdependence between neighboring economies .The picture provides us with a mix of opportunities and pitfalls.

Three fourths of India's oil imports come from the Middle East (and 23 percent from Saudi Arabia alone) which, at 60 percent of total proven reserves, is also the world's largest concentration of hydro- carbon deposits. The domination of the Middle East in international energy markets is mostly accepted as a fact of life in India and elsewhere, and India's relationship with oil producers in the region has been affable for the past decades. However it received no special treatment during difficult moments such as the 1973-74 oil disruptions, a harbinger of difficulties to come.

This increase in Indian absolute needs, together with the geopolitical risks posed by excessive dependence on the region and its fragile sea lanes (problems include potential bottlenecks in the Hormuz Straits and increased piracy in the Redand Arabian Seas) are pushing Indian policymakers to rethink their relative dependency on the Middle East and look elsewhere, and closer to home.

Greater South Asia does contain much of the energy resources needed to power India's growth. But for a host of reasons, the region has one of the least integrated economies in the

	<p>world. The obvious synergies between energy-rich and energy-dependent societies have not yet been realized but India’s pressing energy demand has brought these concerns to the forefront of regional politics. Several initiatives have been mooted. Perhaps the most talked about is a longstanding idea, of a 2600-km Iran-Pakistan-India pipeline.</p> <p>Q1. Explain the dependence of India on the middle eastern countries for its energy supplies as given in the text.....(10)</p> <p>Q2. Explain the turn of the events that has made India realize that it is imperative to look for other supply sources and give YOUR opinion about this will affect the geopolitical scenario globally.....(10)</p>		<p>CO3</p> <p>CO4</p>
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