



BASELIUS COLLEGE, KOTTAYAM

ONE DAY CONFERENCE

CERTIFICATE

This is to certify that Mr./Ms./Dr. Pranav Raj
of Saintgits College of Applied Sciences, Pathamuttom.
presented a paper in the One Day Conference titled "PARADIGM SHIFT IN BUSINESS, COMMERCE AND INDUSTRY"
organised by the Postgraduate Department of Commerce on 25th February, 2020. The title of the paper presented is
A Study on effectiveness and importance of developing
Entrepreneurship among College Students.


Convener


HoD of Commerce




Principal



KURIAKOSE GREGORIOS COLLEGE, PAMPADY
RESEARCH AND POST GRADUATE DEPARTMENT OF COMMERCE

EREVINA

National Paper Presentation Competition on
'EMERGING PROGRESSION IN COMMERCE AND MANAGEMENT'

Certificate

This is to certify that Mr/Ms Pranav Raj
Saintgits College of Applied Sciences, Pathamuttom has participated and presented a paper titled
A Study on Impact of Digital Devices on Worklife Balance & Job Stress in the National
Paper Presentation Competition on 'EMERGING PROGRESSION IN COMMERCE AND MANAGEMENT', organised by the
Research and Post Graduate Department of Commerce, Kuriakose Gregorios College, Pampady on 20th February 2020.

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Head of the Department



Dr. Shyla Abraham
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National Paper Presentation Competition on
'EMERGING TRENDS IN COMMERCE AND MANAGEMENT'


Certificate

Mr. Pranav Raj, Saintgits College of Applied Sciences, Pathamuttom
This is to certify that
has participated and presented a paper titled "A Study on Investor's Preference Towards Stock Market Avenues in
Kottayam District" in the National Paper Presentation Competition on 'EMERGING TRENDS IN COMMERCE AND
MANAGEMENT', organised by the Research and Post Graduate Department of Commerce, Kuriakose Gregorios
College, Pampady on 7th May 2021


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This is to certify that Pranav Raj
of St. Aloysius College of Applied Sciences, Kottayam has participated in the
two day National Seminar on **DYNAMICS OF DERIVATIVES** held at St. Aloysius College
Edathua, Alappuzha Dist. Kerala on January 09 & 10, 2020

He/ She has presented a paper titled A Study on financial habits in
using digital payments among students in the Seminar.


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NATIONAL SEMINAR ON UNLEASH ENTREPRENEURSHIP IN TRADE & COMMERCE

ORGANISED BY
DEPARTMENT OF BUSINESS ADMINISTRATION



Certificate

This is to certify that Pranav Raj
has participated / presented a paper titled Study on effectiveness & importance of developing entrepreneurship among college students in the one-day National Seminar on the topic
'Unleash Entrepreneurship in Trade & Commerce', organised by
the Department of Business Administration, Saintgits College of Applied Sciences
in association with the Department of Student Services, M.G University, Kottayam
on 11th December 2019.



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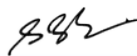
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*This is to certify that Mr. PRANAV RAJ, Student of
..... Saintgits College of Applied Sciences, Pathamuttom has presented a paper
titled A Study on the Effectiveness of Digital Devices on Online Teaching
in the International Conference on 'Post Pandemic Business and Institutional
Implications: An Exploration by Corporates and Academics' organised by FISAT
Business School on July 27th and 28th, 2020.*



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A Study on Consumer Attitude towards the Recent Changes in the Price of Petrol

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Telma George⁶**

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ABSTRACT

There have been several changes in petrol prices across the country due to reasons like crude oil availability, government pricing strategies etc. but now the price hike is being done for a long period of time without any specific reason in this study we are attempting to study the reason behind this change from the customer's point of view. And also to know how the customers reacted to this change with special reference to Kottayam district.

Keywords: Oil Consumption, Crude Oil, Consumer Attitude, Price Hike, Consumer Awareness, Kottayam District.

INTRODUCTION

Oil refinery or petroleum refinery is an industrial process plant where crude oil is transformed and refined into more useful products such as petroleum naphtha, gasoline, diesel fuel, asphalt base, heating oil, kerosene, liquefied petroleum gas, jet fuel and fuel oils. Petrol and diesel prices would be revised every day at 6 am across the country, moving away from the practice of revising rates at midnight every fortnight. The decision to revise fuel rates daily from June 16 is an extension of a pilot that the oil companies have been running in the five cities of Udaipur, Jamshedpur, Pondicherry, Chandigarh, and Vishakhapatnam, since May 1. Calling the pilot a success, Oil Minister DharamendraPradhan said that even the slightest change in international oil prices will be passed on to consumers. Prices within a particular city may differ up to 15 paisa/ litre from pump to pump of the three major oil marketing companies -- Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) Hindustan Petroleum Corporation Limited (HPCL) that control over 95 per cent fuel stations in the country. The minor variation in prices will depend on how far a given petrol pump is from its supply terminal and the varying transportation cost. The daily changes in the petrol and petroleum products have affected the common people in almost all their day to day activities, starting from the cooking gas at home petrol in the vehicles. The petrol price was Rs. 81 (approx.).

LITERATURE REVIEW

Oil refinery or petroleum refinery is an industrial process plant where crude oil is transformed and refined into more useful products such as petroleum naphtha, gasoline, diesel fuel, asphalt base, heating oil, kerosene, liquefied petroleum gas, jet fuel and fuel oils.

Many researchers agree in opinion that no other economic event in post-World War II era generated as much attention as the series of oil price shocks, mainly produced by OPEC countries. No studies were necessary to see the clear relationship between oil prices and main economic indicators. Nevertheless, this issue was new and researchers posed such a question as the numerical impact of oil shocks and their correlation with the policy conducted by government in order to predict the best instrument to cope with the negative impacts caused by oil price increases. Since then a large number of studies have reported a correlation between increases in oil prices followed by economic downturns.

Hamilton (1983) investigated the impact on the US economy. His evidence suggests that crude oil prices have a strong relationship with the US business cycle and tends to highlight cost-push inflationary effects, while the research of Berndt and Wood (1975,1979) as well as Wilcox's (1983) indicates the complementarity between energy prices and capital in the US economy is rather strong, both before and after 1973. Hence, oil price rise lead to shocks may have a stronger effect than generally believed. These results were later extended by Mork (1989) and Hooker (1999) who argued that asymmetric

and nonlinear transformations of oil prices restore that relationship, and thus the economy responds asymmetrically and nonlinearly to oil price shocks.

Later Hamilton (2000) reported clear evidence of nonlinearity-oil price increases is much more important than oil price decreases. An alternative interpretation was proposed based on the estimation of a linear functional form using exogenous disruptions in petroleum supplies as an instrument. His study shows that oil shocks play a crucial role in determining macroeconomic behavior because they disrupt spending by consumers and firms.

Hamilton extended his research work (2003, 2005, and 2009) and has presented empirical evidence suggesting that oil price shocks have been one of the main causes of recessions in the United States. Others, including Barsky and Kilian (2004), argue that the effect is small and that oil shocks alone cannot explain the U.S. stagflation of the 1970s. Taking a more intermediate position, Bernanke et al. (1997) argue that an important part of the effect of oil price shocks on the U.S. economy results not from the change in oil prices per se, but from the resulting tightening of monetary policy. In the same line of research, Blanchard and Gali (2007) present evidence showing that the dynamic effect of oil shocks has decreased considerably over time, owing to a combination of improvements in monetary policy, more flexible labor markets, and a smaller share of oil in production.

Their results indicate that a 10 percent increase in the price of oil would, prior to 1984, have reduced U.S. GDP by about 0.7 percent over a 2–3 year period, while after 1984 the loss would be only about 0.25 percent. In contrast to the extensive literature on the impact of oil prices on the U.S. economy, there has Outside the U.S., studies of the relationship between oil prices and the macro-economy have almost exclusively been confined to other OECD members, with results suggesting that they tend to be affected in broadly the same way as the U.S. but less strongly. World Economic Outlook April-2007 reports there is a global macroeconomic implications of a supply induced oil price hike and persistent productivity shocks with low oil capacity.

In fiscal 2010, the India's import bill for crude oil was \$100.08billion, which of 7.12% higher in volume than fiscal 2009, crude oil import bill increased to around \$ 20.527billion. That means there was a jump of 25.8% in crude oil import bill for fiscal 2010 from previous fiscal 2009 i.e. \$79.553billion.

RESEARCH DESIGN

Statement of Problem: There have been steady changes in the price of petrol in India, and it has affected the people. This project is conducted to find out how the change affects the common people in the Kottayam District.

Scope of study: The main reason behind the selection of the topic is the change that we noticed during our day to day encounter with petrol and petroleum products. And also we thought of knowing that how would this affect the daily life of the common people in the Kottayam District.

RESEARCH METHODOLOGY

Sources of Data: We have relied on both primary and secondary data to do our research. The primary data through questionnaires were used to find out the customer's attitude of Fuel prices in Kottayam district. The Secondary Data were used to find the causes behind the fuel price increase. The data analysis tool used is questionnaire. The questionnaire was circulated in the Kottayam district through Google Forms among 60. The collected data analysis tool used was bar charts to get the number of participants under various categories provided in the questionnaire.

OBJECTIVES

The main objectives of our study are as following:

1. To find out what are the recent changes happened in petroleum industries in India.
2. To find out the reasons for such change whether this will continue.
3. To find out how the price fluctuations affect the common people.

HYPOTHESIS

H1: The state and central governments have a vital role in hike of petrol.

H2: The rise of fuel price has a significant impact in Kottayam district.

Expected Outcome

After the analysis, we expect to find the causes mainly affect the increasing price level of fuel and to find a solution as to mitigate this burden on the general public by analyzing the pricing structure of fuels and to providing ways for bring the existing price level under control which is possible by the government.

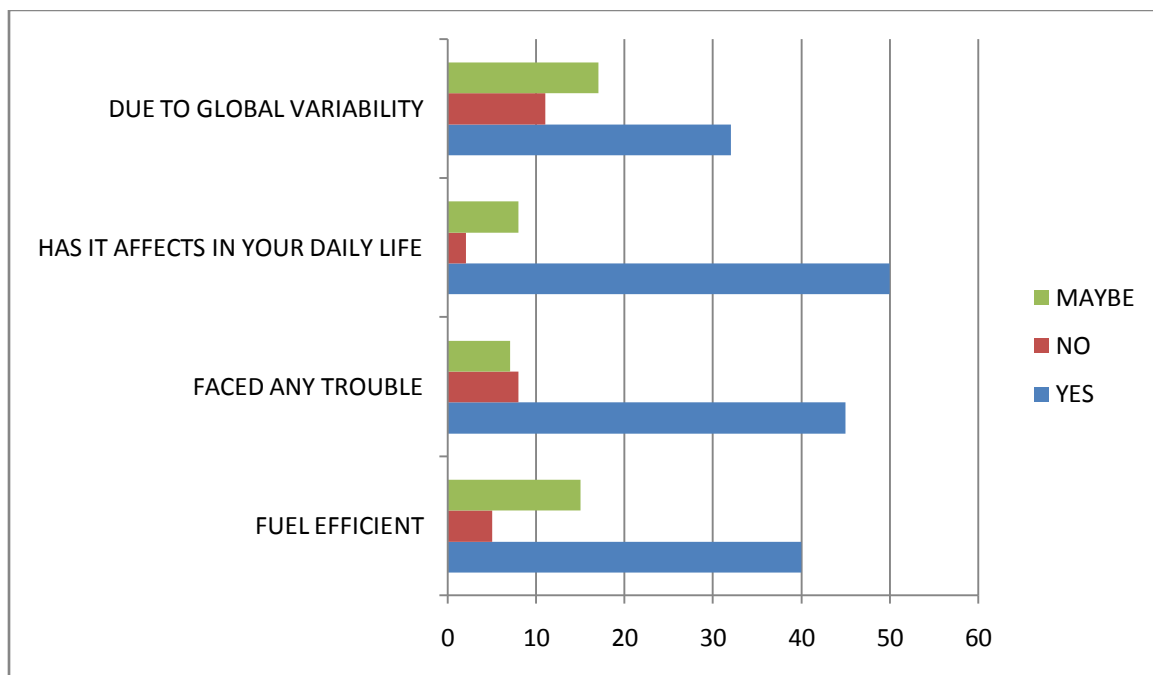
LIMITATIONS

1. This study mainly focuses mainly towards the consumer perception towards the fluctuations of petrol price.
2. The uncontrollable pandemic had a tremendous impact on the paper.
3. Time has become one of our major hindrances.
4. The research is carried out in Kottayam district. So the entire state is not considered where it could be found other different factors as result.

DATA ANALYSIS AND INTERPRETATION

Table 1

Particulars	Yes	No	May be
Is the vehicle fuel efficient	40	5	15
Have you faced any trouble in the present scenario.	45	8	7
Has it affects in your daily life.	50	2	8
Is it due to global variations	32	11	17

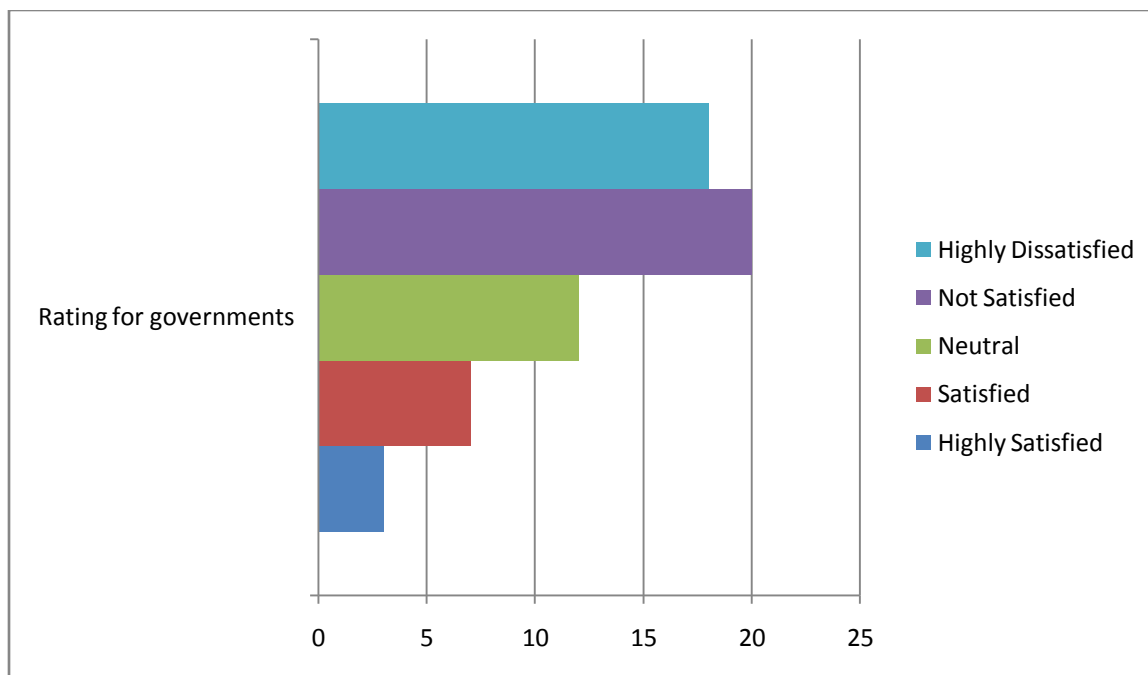


Interpretation

From this we conclude that majority of the vehicles are fuel efficient. Most of the consumers are facing troubles in their day-to-day life and majority states that the price hike in petrol is due to global variations in the global market.

Table 2

Particulars	Highly Satisfied	Satisfied	Neutral	Not Satisfied	Highly Dissatisfied
Rating for Governments	3	7	12	20	18



Interpretation

In this study, the major consumers are not satisfied in the government policies. So they rated as not satisfied.

FINDINGS

The important findings of the study include the changes in the price of the petroleum products are taking place on a daily basis. The reason for the changes in price of petroleum products is mainly due to company policy. The global rate and government policies also affected the price of fuels. The retail dealers (petrol pumps) usually get the updating of price at early morning. Surprisingly, the customers reacted normally towards the fluctuations in fuel price. These fluctuations of price are affecting the monthly budget of middle class people, especially the students.

SUGGESTIONS

The government should take necessary actions to include petroleum products under GST. It would be helpful if the daily prices of fuel are published to the customers on a daily basis through newspapers or other medium so that they could be aware of fuel price before refuelling. It should make mandatory to provide clean and pure fuel to the customers.

CONCLUSION

From this study it has been noted that the price fluctuations happened in petroleum industries in India were due to global price variations and company policy. The price fluctuations affected the daily life and monthly financial budgets of the common people especially students and households. Surprisingly most of the people act normal towards this change even if they are not satisfied with it. It is unpredictable whether this scenario will continue or not as there are many reasons and even the dealers are not aware about this.



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