

Registration No :

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Total Number of Pages : 02

MBA
15MNG305C

3rd Semester Regular/Back Examination 2018-19

COMPENSATION MANAGEMENT (CM)

BRANCH : MBA

Time : 3 Hours

Max Marks : 100

Q.CODE : E408

Answer Question No.1 (Part-1) which is compulsory, any EIGHT from Part-II and any TWO from Part-III.

The figures in the right hand margin indicate marks.

Part-I

Q1 Short Answer Type Questions (Answer All-10)

(2 x 10)

- Define compensation.
- What is variable pay?
- What is living wage?
- What do you mean by wage differentials?
- What is take home salary?
- What are the fringe benefits?
- What is ESOP?
- What is DA?
- What do you know about pay commission?
- What is the objective of wage board?

Part-II

Q2 Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)

(6X8)

- Distinguish between wage and salary.
- Throw light on the principles of wage and salary administration.
- Discuss the criteria for wage fixation.
- Discuss the factors affecting wage and salary structure in an organization.
- What are non-financial incentives? Explain its importance.
- What do you mean by compensation survey? Write a note on pay for performance.
- What is job evaluation? What are the objectives of job evaluation?
- Discuss the components of executive remuneration.
- Explain the current issues in compensation management.
- Discuss different objectives of wage policy.
- What are the consequences of pay dissatisfaction?
- What is 3p compensation concept? Discuss the new trends in compensation system.

Part-III

Long Answer Type Questions (Answer Any Two out of Four)

- Q3** MNCs operating in India have influenced the salary structure of Indian Organizations – Substantiate. (16)
- Q4** How does effective compensation management help an organization to achieve strategic objectives? (16)
- Q5** Explain various theories of wage. (16)
- Q6** Discuss the institutional mechanisms available in India for wage determination and fixation. (16)

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MBA
15MNG305C

3rd Semester Regular Examination 2017-18

Compensation Management (CM)

BRANCH : MBA

Time: 3 Hours

Max Marks: 100

Q.CODE: B686

**Answer Question No.1 and 2 which are compulsory and any four from the rest.
The figures in the right hand margin indicate marks.**

Q1 Answer the following questions :

(2x10)

- a) Basic compensations given to employees as salaries or wages are called base pay B) wages C) variable pay D) salaries
- b) Compensation given with base pay linked to individual team or organizational performance is classified as variable pay B) salaries C) base pay D) wages
- c) Most common and usual form of direct compensation paid in organizations is base pay and benefits B) base and variable pay C) variable pay and benefits D) all of above
- d) Wages usually adjusted for the prevailing rate of inflation is A) Real wage B) Fair wage C) Minimum wage D) Living wages
- e) Stock option and profit sharing plans are examples of Base salary B) short term incentive plan C) Long term incentive plan D) All of the above
- f) Provision for cars, parking lots and membership in country club are examples of A) Incentives B) Perks C) Executive compensation D) Fringe benefits
- g) Which of the following factors is not an external influencing factor in wages and salary administration? A) Cost of living B) Labour legislations C) Labour market conditions D) Ability to pay
- h) Providing equal pay for jobs of equal nature based on job evaluation ensures _____ in Compensation administration A) External equity B) Internal equity C) Neutrality D) None of the above
- i) The amount of wage fixed for a unit of time fixed on the basis of job evaluation standards is called A) Standard wage rate B) wage rate C) incentive wage D) Statutory minimum wage
- j) Various extra benefits provided to employees in addition to the compensation paid in the form of wage or salary is termed as : Incentives B) Fringe benefits C) Wage incentives D) Bonus

(2x10)

Q2 Answer the following Questions :

- a) What are the advantages of a fair compensation system
- b) What is meant by job based pay, skill based pay and competency based pay
- c) What do you mean by the term rewards and incentives
- d) What is compensation survey
- e) Human resource Department plays a crucial role in wage and salary administration of a firm, Comment
- f) List out few external factors influencing wage and salary administration
- g) What is time rate system of wage payment

- h) Explain the benefits of linking pay to performance
 i) What does external and internal equity mean in compensation system
 j) Explain Executive compensation

- Q3** Discuss the factors influencing wage and salary structure? Throw light on the principles of wage and salaries administration. (15)
- Q4** Do you think that non-financial motivators can work more effectively when integrated with financial rewards in a total reward process? Give reasons to support your example with suitable example. (15)
- Q5** What are the different elements of the total compensation ? Is it all about salary only ? Discuss. How is skill based compensation different from competency related compensation. (15)
- Q6** Distinguish between fair wage and living wage . Explain various theories of wages in brief (15)
- Q7** What is job evaluation ? Explain the objectives of job evaluation . What are the techniques do you adopt to evaluate the jobs (15)
- Q8** What are the major objectives of incentive schemes. Explain Halsey and Rowan plan with examples (15)

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MBA
15 MNG305C

3rd Semester Regular Examination 2016-17

COMPENSATION MANAGEMENT

BRANCH: MBA

Time: 3 Hours

Max Marks: 100

Q.CODE: Y757

Q No 1 and 2 are compulsory and any four from the rest
The figures in the right hand margin indicate marks.

Part – A (Answer all the questions)

Q1

Answer the following questions:

(2 x 10)

- a) Compensation can be _____ benefits
- b) _____ are also called "payments by results"
- c) _____ wages ensure that the employees get an income which is sufficient for meeting their present and future necessities and contingencies
- d) Most common and usual form of direct compensation paid in organizations is _____
- e) _____ is best described as reducing the number of levels in the organization's job structure?
- f) Type of rewards employees get in form of praise for successfully accomplishing goals or completing project is classified as _____
- g) The difference in wages between workers with different skills in the same industry or between those with comparable skills in different industries or localities is termed as _____
- h) The process of determining relative worth of the various jobs within the organization, so that differential wages may be paid to jobs of different worth is called _____
- i) A financial reward system for employees where some or all of their monetary compensation is related to how their performance is assessed relative to stated criteria is termed as _____
- j) A survey aimed at determining prevailing wage rates is called _____

Q2

(2 x 10)

- a) Define compensation
- b) List few factors affecting employees compensation
- c) What are the major objectives of compensation management
- d) What does the 3 P's Approach to Compensation Management signify?
- e) Are wage differentials justified? Comment
- f) What does Golden handcuff and Golden handshake mean?
- g) 'Compensation programs must be fair to both the employers and employees' Justify
- h) Job based pay vrs Knowledge based pay - Elucidate
- i) Is recognition enough to motivate employees or does remuneration also matters
- j) What is Executive remuneration? What are its major components

- Q3** "Compensation is an effective tool to motivate employees in an organization" – Discuss. What are the major factors in deciding compensation (15)
- Q4** "Man is a wanting animal". Critically examine the statement in the context of equity considerations in compensation management. Discuss the objectives of sound wage and salary administration (15)
- Q5** Fair wage is a sandwich of minimum wage and living wage? Do you agree? Illustrate various theories of wages in brief (15)
- Q6** a) What are the merits and demerits of time rate and piece rate system of payment of wages (7.5x2)
- b) Explain the concept of broad banding in compensation
- Q7** Pay and commission are the tools equally powerful, it should be used as a double edged sword. If one is exceeding the other it will be a demotivating factor. How do you foresee the above statement? Give suitable examples (15)
- Q8** a) What are the different wage incentive plans? What do you mean by gain sharing plans. How does it differ from profit sharing (7.5 X2)
- b) In a factory the standard time allowed for producing 80 pieces of a product is eight hours. Bubbly produced 80 pieces of that product while Pooply produced 80 pieces of it in six hours. The time rate is Rs 4 per hour. Calculate the earnings of both as per Rowan incentive plan.

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MGT 403C

4TH SEMESTER REGULAR MBA EXAMINATION, 2016

COMPENSATION AND REWARD MANAGEMENT

Full Marks: 70

Time Allowed 3 hrs.

Question Code: W 210

Answer question number 1 which is compulsory and five from the rest.

Q1) Answer all the following questions: 2x10 marks

- Discuss the concepts of compensation and compensation management
- What is more important for organisational effectiveness - internal equity or external equity? Support your answer with definition
- Skill based pay (SBP) is a person based and not a job based system, Justify
- What does the term "financial return" mean in compensation
- Rewards are symbols of appreciation and recognition, Is it true? Who are eligible to get reward?
- Define CTC
- What are the major components of executive compensation
- What are the major basis of wage differentials. Give examples
- How does gain sharing differ from profit sharing
- What does "merit pay" mean

Q2) Explain the importance of compensation as a retention strategy. Eucidate the 3-
P compensation concept with examples [10]

Q3) Motivation is a result of intrinsic and extrinsic factors. How does an extrinsic
motivator like compensation improve an employee's motivation level when
he is low on intrinsic motivation [10]

Q4) "Incentive is a bribe given to employees to perform their jobs effectively which
they are anyway paid to do". Critically evaluate the statement. Can incentives be
classified? What are the pitfalls of incentives [10]

Q5) Why do organisations use job evaluation as the basis for their pay structures
? Support your answer. Briefly discuss the procedure involved in the
evaluation of the jobs. [10]

Q6) Discuss the Structure and function of wage board in India [10]

Q7) In a factory, the standard time allowed for producing 80 pieces of a product

is 8 hours. Nibi produced 80 pieces of it in 6 hours. The hourly rate is Rs 4.00. Calculate the earnings of Nibi under the Halsey plan. Will Nibi be benefited if her earnings are calculated as per Rowan's plan.

Q8) Attempt any two :

[5 x2]

- (a) Explain the main features of Bonus Act
- (b) Explain broad banding with examples
- (c) Explain Wage fund theory and residual claimant theory

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MBA
MGT 303C

3rd Semester Regular/ Back Examination 2015-16
COMPENSATION AND REWARD MANAGEMENT

BRANCH : MBA

Time: 3 Hours

Max marks: 70

Q.CODE: T460

Answer Question No.1 which is compulsory and any five from the rest.

The figures in the right hand margin indicate marks.

- Q.1 Answer the following questions very firefly : (2x10)
- a) Define compensation.
 - b) "Money makes the mare go" justify the statement.
 - c) "A Sound Compensation System helps the organization to keep pace with the changing environment" How ?
 - d) What are the basic items included in compensation (write any four items).
 - e) What is Broad-banding ?
 - f) Write the difference between wage and salary.
 - g) Define wage differentials.
 - h) What is ESOPs ?
 - i) Who developed the differential piece rate plan ?
 - j) What is the other name of "Iron Law of Wages".
- Q.2 What is the role of compensation and rewards in modern organization ? (10)
What are the advantages of a fair compensation system ?
- Q.3 Explain the need for designing a compensation policy. What is the importance of a compensation system in business organization. (10)
- Q.4 Describe any four components of remuneration which you feel are more important than the rest. (10)
- Q.5 Write short notes (Any two) : (10)
- a) Executive Compensation Plan.
 - b) Need for wage survey's
 - c) Minimum, fair and living wages.
- Q.6 Discuss the major principles governing in fixation of wage and salary in an organization. (10)
- Q.7 Explain the relevance of payment of Wage Act, 1936 and the minimum Wage Act, 1948 to wage and Salary Administration. (10)
- Q.8 Write short notes on any two: (10)
- a) Need Based Minimum Wage
 - b) Wage Fund Theory
 - c) Marginal Productivity Theory.

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MBA
MGT 303C

Third Semester Regular Examination – 2014
COMPENSATION AND REWARD MANAGEMENT (CRM)

BRANCH : MBAR

QUESTION CODE : H 419

Full Marks – 70

Time : 3 Hours

*Answer Question No. 1 which is compulsory and any **five** from the rest.*

The figures in the right-hand margin indicate marks.

1. Answer the following questions :

2 × 10

- Who is responsible for wage and salary Administration ?
- What in Incremental System ?
- What are the steps to be taken while designing a pay structure ?
- Define Debt Method.
- What is PBR ?
- What is Real Wage ?
- Why Fringe Benefits are given ?
- What is called scheduled employments ?
- Define adjudication.
- What are the Acts usually included under Wage Legislation in India ?

- What are the various components of Industrial Wage Structure ? 10
- Discuss briefly the major allowances give by employers to employees under different settlements. 10

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4. What are the various types of wage differentials ? 10
5. What are the aims and objective of wage and salary programme ? 10
6. Discuss the basic principles for setting up an effective reward system in an organization. 10
7. In a factory, output observed is as under :
- | | | |
|--------|---|-----------|
| Ashis | – | 300 Units |
| Suman | – | 500 Units |
| Hemant | – | 400 Units |

Standard is set at 400 units. The workers work for 48 hours in a week. Rate per hour is Rs.4/- and high piece rate is 50 paise per Unit. Calculate earnings of workers. 10

8. Write short notes on any two of the following : 5×2
- (a) Executive compensation
 - (b) Wage Boards
 - (c) Job Evaluation.

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MBA
MBA306C

Third Semester Examination – 2013

COMPENSATION MANAGEMENT

QUESTION CODE : C-520

Full Marks – 70

Time : 3 Hours

Answer Question No. 1 & 2 which are compulsory and any **four** from the rest.

The figures in the right-hand margin indicate marks.

1. Answer the following questions : 2×10
 - (a) What is compensation ?
 - (b) Distinguish between minimum wage, fair wage and a living wage.
 - (c) Differentiate between internal equity and external equity.
 - (d) Fringe benefits serve as golden hand-cuffs. Justify.
 - (e) Distinguish between time wage and piece wage system of payment of wages.
 - (f) What are the major advantages of broad banding ?
 - (g) What is wage differential ?
 - (h) What is performance based pay ? What are its major objectives ?
 - (i) Is executive compensation justified ? Give reasons in brief. List out the major components of executive compensation.
 - (j) State the salient features of Minimum Wages Act.
- 2 LANCO is an engineering company with an employee strength of 1500. It has a system of incentive linked monthly productivity bonus for the shop floor employees, which serves the purpose of rewarding good work. The HR Director, Mr. Gupta has been facing a dilemma, how to evaluate the performance of the middle

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management and how to link it with productivity. After deliberate discussions with individual managers he develops a plan. The plan is designed to enhance team work and provide incentives for improvement and excellence among middle level managers. Briefly the pay will be split into two components, the first consist of 80 % original salary which will be a fixed component and will be determined as before and the second component of 20 % will be flexible and will depend upon the ability of each team as a whole to show a minimum of 5 % improvement in their respective areas. The scheme when discussed with managers, received a number of negative remarks. One manager said that why should their performance depend upon the performance of other members of the team. The new pay scheme makes them team players first and specialists in their areas next. Another objection was that why the good persons in the teams should suffer if the other members were not measuring upto the expectations. Moreover there are a number of external factors which affect the individual and collective performance. For example – If a product suddenly goes out of demand affecting marketability, why should the concerned marketing team be penalized for something beyond its control.

Now Mr. Gupta is in a tight position. The company has been a trend setter in executive compensation in Indian industry as they have been paying the best. Will the new plan ensure that it remains that way. If the plan succeeds LANCO set another trend in executive compensation. But how should he see this plan through.

- (a) Do you think it is proper to evaluate managers on the basis of productivity ?
- (b) In your opinion, individual performance or team performance is the most suitable criteria for incentive plans
- (c) If you were the HR director, what would you do ? 10

3. Wage and salary administration seeks to provide justice both to employer and employees, Explain 10
4. "Job evaluation does not usually price jobs". Discuss. Explain the non quantitative methods of job evaluation in detail along with few merits and demerits. 10

5. Explain the importance of theory of wages. Discuss the Subsistence and wage fund theory of payment of wages. 10
6. "Incentives are monetary benefits to workers in recognition of their outstanding performance". Justify this statement highlighting the importance of payment of incentives. Discuss any two incentive plans and bring out relative merits and demerits. 10
7. Besides wage laws and Industry's ability to pay, the employee's capacity to perform has also become an important determinant of compensation package in the changed economic scenario. Explain this statement along with other factors which determine wage and salary. 10
8. Why should there be a wage policy in India ? Discuss the structure and role of wage boards in the Indian context. 10

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MBA
MBA 306C

Third Semester Examination – 2012-13

COMPENSATION MANAGEMENT

Full Marks – 70

Time : 3 Hours

Answer Question No. 1 & 2 are compulsory and any **four** from the rest.

The figures in the right-hand margin indicate marks.

1. Answer the following questions : 2×10
- (a) Distinguish between Intrinsic reward and Extrinsic reward.
 - (b) What do you mean by fringe benefits ? Give examples.
 - (c) Outline the criteria for fixation of wages.
 - (d) What is Job Slotting ?
 - (e) What are the components of executive compensation ?
 - (f) What is Bedeaux point plan for payment of incentives ?
 - (g) What do you mean by 'Anchors' in collective bargaining ?
 - (h) Write the meanings of minimum wage, fair wage, living wage and real wage.
 - (i) What is the Subsistence theory of wages ?
 - (j) Outline different types of wage and salary methods.

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2. Read the case and answer all questions :

5×2

Harish Goel was a student of B.Tech. with IT specialization from Central Institute of Engineering, a leading institute in the field of technology education. In his fifth semester, Harish cracked a campus interview followed by a written test in a MNC namely, Sofrtonics Ltd; and fetched the highest remuneration annual package of Rs.7 lakhs in the history of the institute. As a bright student Harish have been conferred many accolades since his high school days. In the B.Tech. examination, he achieved the top position in the institution with a record CGPA of 9.7. Harish joined that company and he was appraised as the best employee of the year due to his hard work and brilliance in decision making. Harish got promoted from engineer to associate manager after 3 years of joining to the company with a hike in salary of Rs.2 lakhs per annum. Being an Associate manager, Harish got many fringe benefits along with foreign trips with regard to the job. Harish was very satisfied with the job as well as with the company.

Dramatically, from the same Institute and stream, Parvati Menon, a B.Tech. (IT) grad was selected with an annual package of RS.8.5 lakhs and employed as a trainee under Harish. Parvati under the guidance of Harish performed excellent, and surprisingly the management promoted her to Associate manager within two years of joining to the company. Ironically, after few months Harish decided to leave the job.

Questions :

- (a) What may be the underlying reasons of dissatisfaction of Harish towards the job ? Discuss the answer from individual and organizational point of view.
 - (b) Suggest a solution to retain Harish to the company, and devise a new compensation system for the company that can be more appropriate in this regard.
3. 'The wage received by the marginal labour determines the wages paid to all other labours on the same grade.' With regard to the Marginal productivity Theory of Wages, justify the statement.

10

4. What are the various components of job evaluation ? Discuss how far the quantitative methods are applicable to find the relative worth of the job. 10
5. If 8 hours is the standard time for a job, and Re.0.50 is the guaranteed wage per hour, the worker, if he takes 8 hours to perform the work, receives Rs. 4.00 .If the person completes the task in 6 hours, he receives an extra premium on the time saved. Find out the amount of bonus and total earnings under the following incentive plans. 2.5×4
- (a) Halsey plan
 - (b) Halsey-Weir plan
 - (c) Rowan plan
 - (d) 100 % premium plan.
6. Discuss the structure of wage board in India. Describe the impact of the functions of wage board on wage determination. 10
7. Discuss different types of performance based pay schemes and outline the limitations of this pay system. 10
8. Write short notes on any two : 5×2
- (a) Broad banding
 - (b) Wage differentials
 - (c) Wage policy in India
 - (d) Pay commissions in India.

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Total number of printed pages – 3

MBA
MBA 306C

Third Semester Examination – 2011

COMPENSATION MANAGEMENT

Full Marks – 70

Time : 3 Hours

Answer Question No. 1 & 2 which is compulsory and any **four** from the rest.

The figures in the right-hand margin indicate marks.

1. Answer the following questions :

2×10

- (a) Define the concept of wage.
- (b) What do you mean by living wage ?
- (c) Differentiate between wages and salary.
- (d) What do you mean by wage policy ?
- (e) What is executive compensation ?
- (f) What is meant by Employee Stock option plan (ESOP) ?
- (g) Indicate the steps to be followed in designing a salary structure.
- (h) What are non monetary incentives ?
- (i) What is the importance of market based pay system ?
- (j) List few merits of Halsey plan.

2. **Case analysis :**

Hi tech Electronics Ltd was established in 1998 in Faridabad. It produces and markets all type of electronic goods. It has been one among the top five companies as for the level of technology and one among the top three companies regarding marketing of the products. The company's policies and practices concerning

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human resource management are top in the country. The company's salary administration policies and practices were taken as guidelines not only by the other companies but also various wage boards and pay commissions in the country. But this company has been struggling of salary and benefits. The problem is stated hereunder.

The company employed nearly 400 young graduates and post graduate engineers just three years back. These employees form the cream of the company's present human resource. Of course, the older generation of company's employees also formed the cream of company's human resource while they were young. The older employees occupied higher positions in all the departments including human resource department. The company's salary policy and benefits policy were formulated five years back mainly on the basis of the older employees desires. As such, salaries are fixed as very low level compared to other similar industries and the benefit schemes include an exhaustive list of benefits including all types of retirement benefits. The cost of retirement benefits would be nearly 25 % of the cost of the present staff to the company.

The young employees demanded the management to pay immediately whatever it can pay rather than providing extensive fringe benefits. According to them, the pay packet motivates them much more than benefits which they get mostly in kind. But the older employees view that fringe benefits much rather than currency which taxes them heavily. The company asked the human resource manager to settle the issue.

- (a) What is the crucial issue in this case ? 5
- (b) If you are the human resource manager of the company, whom do you satisfy ? 5
- 3. Job evaluation is a systematic technique which aims at determining the worth of a job, Explain. 10
- 4. Explain various individual and group incentive plans. What are the advantages and problems associated with wage incentives ? 10

5. It is said that pay and perks have always played an important role in attracting and retaining employees. Explain this statement. How does wage and salary administration help in establishing a fair and equitable salary structure ? 10
6. What do you mean by fringe benefits ? Explain the need for fringe benefits. Describe the various types of fringe benefits offered to employees in India. 10
7. Discuss the objectives of National wage policy in India and state the salient features of the Minimum Wages Act. 10
8. Executive remuneration has assumed considerable importance in recent years, justify. Discuss the major components of executive remuneration. 10