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Roll No.

BCH-604(H2)

B. COM. (HONS.) (SIXTH SEMESTER)

MID SEMESTER

EXAMINATION, April/May, 2022

COMPENSATION MANAGEMENT

Time : 1½ Hours

Maximum Marks : 50

Note : (i) Answer all the questions by choosing any *one* of the sub-questions.

(ii) Each question carries 10 marks.

1. (a) "Paying good wages is not charity at all—it is the best kind of business."

—Henry Ford

With reference to the above quote, elucidate on the term 'wages' and explain piece wages, time wages, cash wages, and wages in kind. 10 Marks (CO1)

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OR

- (b) "We should raise the minimum wage so that no one who works full time has to live in poverty." —Barack Obama

With reference to the above quote, elucidate on the term 'minimum wages', its purpose, and salient features of minimum wages in India. 10 Marks (CO1)

2. (a) Explain the term compensation. Elaborate the objectives of 'equity', 'efficiency', and 'economic stability' for compensation along with suitable examples.

10 Marks (CO1)

OR

- (b) Discuss the concept of living wages and fair wages with suitable examples.

10 Marks (CO1)

3. (a) There was a recent news that Tata group, the new owner of Air India, has begun the process of restoring pilot and air crew

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salaries in a wider restructuring of wages and allowances to align them with those of its three other airlines. (<https://www.livemint.com/companies/news/air-india-moves-to-restore-employee-pay-11645382394979.html>)

With reference to this news, explain the term 'salary structure'. Also elaborate on how labor unions, personal perception of wages, and demand and supply of labor determine the salary structure in an industry. 10 Marks (CO2)

OR

- (b) There are many companies that take pride in paying highest salaries in their industry while there are others that pay average salaries. With reference to this statement, explain how compensation philosophy of an organization affects salary structures.

10 Marks (CO2)

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4. (a) Discuss Wage Boards in India. Discuss any *four* main objectives of wage boards.

10 Marks (CO2)

OR

- (b) While wage boards were quite significant in the 1960s, their relevance has dropped in the recent years and no non-statutory Wage Board has been formed after 1966. Referring to this, discuss the three steps in which wage boards function. Also state why do you think the relevance of wage boards has declined.

10 Marks (CO2)

5. (a) There is a sports company which offers attractive compensation package to its employees. You have been hired by this company and are given ₹ 10 lakhs per annum as your salary, health insurance plan worth ₹ 2 lakhs, paid vacation worth ₹ 30 thousand every year, and many fringe benefits. You are also promised award and

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recognition if you demonstrate a 'five star' performance.

10 Marks (CO1)

- (i) Categorize the components of compensation in the above case into financial and non-financial.
(ii) What are fringe benefits? Explain any *three* fringe benefits that you would like to have in your salary.

OR

- (b) There's a startup in Bengaluru that offers 'work-any-time' and 'as-many' leaves to its employees. It also offers many fringe benefits such as subsidized meals at office canteen, and educational benefits if the employees want to pursue higher studies. As a return, it expects extremely high performance from its employees.

10 Marks (CO1)

- (i) What do you understand by the term 'compensation'? Which component of compensation is highlighted in the above case?
(ii) What are fringe benefits? Explain any *three* fringe benefits that you would like to have in your salary.

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