

Faculty of Management Studies

End Semester Examination May 2025

MS5EH04 Compensation Management

Programme	:	MBA	Branch/Specialisation	:	-
Duration	:	3 hours	Maximum Marks	:	60

Note: All questions are compulsory. Internal choices, if any, are indicated. Assume suitable data if necessary.
 Notations and symbols have their usual meaning.

Section 1 (Answer all question(s))

Marks CO BL
 1 1 1

Q1. Wages are paid to the _____.

Rubric	Marks
B. Labor	1

- Employee Labor
 Manager Board of director

Q2. _____ are also called payment by results.

1 1 1

Rubric	Marks
C. Incentives	1

- Allowances Claims
 Incentives Fringe benefits

Q3. Children below age group _____ can't work as labor, according to labor act.

1 2 1

Rubric	Marks
A. 14	1

- 14 15
 18 21

Q4. Compensation is reward to the employee for their-

1 2 1

Rubric	Marks
C. Contribution to organization	1

- Performance Work
 Contribution to organization Smartness

Q5. Which of the following is a strategy of job design that increases depth in the job and involves qualitative change in job profile? 1 3 1

Rubric	Marks
B. Job Enrichment	1

- Job rotation Job enrichment
 Job engagement Job enlargement

Q6. The addition of new tasks into the job broadens the concept of job is classified as:

1 3 1

Rubric	Marks
B. Job Enlargement	1

- Job enrichment Job enlargement
 Job validity Job reliability

Q7. The SWOT approach assesses an organization's:

1 4 1

Rubric	Marks
B. Strengths, Weaknesses, Opportunities, Threats	1

- Signs, Worries, Objectives, Techniques Strengths, Weaknesses, Opportunities, Threats
 Studies, Workflows, Opportunities, Trials Speed, Wants, Order, Timing

Q8. The systematic assessment of the merit of one job in relation to other tasks is called:

1 4 1

Rubric	Marks
B. Job evaluation	1

- Job analysis Job evaluation
 Job sequencing Job description

Q9. Sharman, a sales manager, achieved his sales target 10 days in advance. This achievement was displayed on the notice board and the CEO of the Company awarded a certificate for the best performance to him. Name the incentive provided to Sharman.

1 5 1

Rubric	Marks
C. Recognition	1

- Job security Bonus
 Recognition Promotion

Q10. Compensation can be _____ benefits.

1 5 1

Rubric	Marks
C. Both 'A' and 'B'	1

- Monetary Non-monetary
 Both (A) and (B) None of these

Section 2 (Answer all question(s))

Marks CO BL

Q11. Define compensation? Explain with at least two examples.

2 1 2

Rubric	Marks
Define Compensation?	1
Explain with at least two examples.	1

Q12. (a) Explain the goals of a compensation system. Write down any 5 cafeteria style compensation package.

6 1 1

Rubric	Marks
One mark each for each goal explained.	6

(OR)

(b) Write a short note on fringe benefits and supplementary compensation.

Rubric	Marks
Write a short note on Fringe Benefits	3
Supplementary Compensation.	3

Section 3 (Answer all question(s))

Marks CO BL

Q13. What are wage theories? Explain any two wage theory.

2 2 1

Rubric	Marks
What are Wage Theories?	1
Explain any two wage theory.	1

Q14. (a) Discuss the different Incentive plans like ESOP's, EVA Reward Management in TNC's.

6 2 1

Rubric	Marks
ESOP's- 3 marks	6
EVA- 3 marks	

(OR)

(b) Write a short note on discrimination in labor market.

Rubric	Marks
One marks each for each point covered.	6

Section 4 (Answer all question(s))

Marks CO BL

Q15. What is the role of a pay commission in wage determination?

2 3 2

Rubric	Marks
role of pay commission- 2 marks	2

Q16. (a) What are the different components of a compensation package?

6 3 1

Rubric	Marks
as per the answer explanation.	6

(OR)

(b) What are the guidelines of companies act relation to CEO compensation?

Rubric	Marks
One mark each for each for each guideline.	6

Section 5 (Answer all question(s))

Marks CO BL

Q17. Define job analysis and state its two key components.

2 4 1

Rubric	Marks
What is Job Analysis?	2

Q18. (a) Explain the methods of job evaluation.

6 4 1

Rubric	Marks
Equal marks for each method of job evaluation	6

(OR)

(b) Explain salary progression with methods of payment and link it to performance appraisal.

Rubric	Marks
One mark each for each point covered.	6

Section 6 (Answer all question(s))

Marks CO BL

Q19. What is knowledge based compensation?

2 5 2

Rubric	Marks
What is Knowledge Based Compensation?	2

Q20. (a) Compare and contrast economic and behavioral theories of compensation.

6 5 1

Rubric	Marks
One mark each for each scheme.	6

(OR)

(b) Describe any two types of incentive schemes along with their merits and demerits.

Rubric	Marks
One mark each for each point covered.	6

Section 7 (Answer all question(s))

Marks CO BL

Q21. ABC Technologies Ltd. is a fast-growing software development company with a workforce of 2,500 employees across multiple countries. The company has seen rapid growth in the tech industry, and to keep up with competition, it aims to implement an efficient and competitive compensation management system. However, there are several challenges they need to address:

10 5 1

1. Global Workforce Management: ABC Technologies operates in different countries, including the U.S., India, and Germany. Each of these markets has distinct compensation structures, tax regulations, and cost-of-living variations.
2. Attraction and Retention of Talent: The tech industry is highly competitive, and ABC Technologies has trouble retaining top-performing software engineers. Some employees have left the company for better compensation offers from competitors.
3. Performance-Based Compensation: The company is considering tying compensation more closely to employee performance. They are contemplating introducing performance-based bonuses, but there is concern that it could create unhealthy competition among employees or reduce collaboration.
4. Internal Pay Equity: Employees have expressed concerns about pay disparities, especially between different job roles, genders, and seniority levels. The company has noticed a growing sense of dissatisfaction around pay fairness.

Question:

- (i) How would you design ABC Technologies' compensation structure to address the issue of global workforce management? Discuss what strategies would you recommend to help ABC Technologies improve its ability to attract and retain top talent in a competitive tech market?
- (ii) Evaluate the pros and cons of implementing a performance-based compensation system at ABC Technologies.

Rubric	Marks
6 Mark for first question, 4 mark for second question.	10
