

Enrollment No.....



Faculty of Management Studies  
End Sem (Odd) Examination Dec-2019  
MS5EH04 Compensation Management

Programme: MBA Branch/Specialisation: Management / HR

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Among the given below points which is not an objective of compensation. **1**  
(a) To increase or maintain morale  
(b) To determine basic wage and salary  
(c) To reward for job performance  
(d) To improve the performance
- ii. The purpose of compensation includes \_\_\_\_\_. **1**  
(a) Assisting in Recruitment (b) Job Satisfaction  
(c) Job Performance (d) None of these
- iii. Wages represents \_\_\_\_\_ rates of pay. **1**  
(a) Hourly (b) Daily (c) Weekly (d) Monthly
- iv. In India, \_\_\_\_\_ wage is determined mainly for sweated industries. **1**  
(a) Minimum (b) Fair (c) Living (d) Standard
- v. The scope of collective bargaining is a term which describes \_\_\_\_\_. **1**  
(a) The way collective agreements are recorded.  
(b) The level of trust that exists between the negotiating parties.  
(c) The range of topics or issues which are the subject of negotiation.  
(d) All of these
- vi. The following is paid only at the time of employees exit after serving more than five years **1**  
(a) Perquisites (b) Claims  
(c) Allowances (d) Gratuity

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- vii. 'A fair day work for fair day pay' denotes a sense of \_\_\_\_\_ felt by employees. **1**  
 (a) Responsibility (b) Equity  
 (c) Happiness (d) Respect
- viii. \_\_\_\_\_ is not a part of remuneration model. **1**  
 (a) Job Description (b) Job Evaluation  
 (c) Job Hierarchy (d) Job Analysis
- ix. \_\_\_\_\_ are also called "payments by results". **1**  
 (a) Allowances (b) Claims  
 (c) Incentives (d) Fringe Benefits
- x. An employer; not paying for title of job and hired, regarded as \_\_\_\_\_. **1**  
 (a) Pay Based on Competency  
 (b) Pay Based on Knowledge  
 (c) Pay Based on Company's Stocks  
 (d) Pay Based on Team Work

- Q.2 i. What is cafeteria style compensation? **4**  
 ii. What is the importance of compensation system in business organizations? **6**

- OR iii. Explain the different kinds of monetary and non-monetary rewards. **6**

- Q.3 i. Briefly explain the evolution of modern-day labour force. **4**  
 ii. List out different types of incentive plans and explain any one with their merits and demerits. **6**

- OR iii. What do you mean by the term "theory of wages"? Explain them. **6**

- Q.4 i. What is collective bargaining? **4**  
 ii. How the wage is fixed in India? Explain any two theory of wage determination. **6**

- OR iii. What are the different components of compensation package? Explain any six. **6**

- Q.5 i. Explain the process of job analysis? **4**

- ii. Distinguish between 'Internal Equity' and 'External Equity'. **6**  
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- OR iii. Write short notes on: - **6**  
 (a) Job Evaluation (b) Performance Appraisal.

- Q.6 Attempt any two: **6**
- i. What do you mean by knowledge and competency-based compensation? Explain. **5**
- ii. What is international compensation? What competitive strategies are important for international compensation? **5**
- iii. What is the effect of Non-Financial compensation on employee performance? **5**

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## Marking Scheme

### MS5EH04 Compensation Management

Q.1	i.	Among the given below points which is not an objective of compensation.	1
		(d) To improve the performance	
	ii.	The purpose of compensation includes_____.	1
		(d) None of these	
	iii.	Wages represents _____ rates of pay.	1
		(a) Hourly	
	iv.	In India, _____ wage is determined mainly for sweated industries.	1
		(a) Minimum	
	v.	The scope of collective bargaining is a term which describes_____.	1
		(c) The range of topics or issues which are the subject of negotiation.	
	vi.	The following is paid only at the time of employees exit after serving more than five years	1
		(d) Gratuity	
	vii.	'A fair day work for fair day pay' denotes a sense of _____ felt by employees.	1
		(b) Equity	
	viii.	_____ is not a part of remuneration model.	1
		(d) Job Analysis	
	ix.	_____ are also called "payments by results".	1
		(c) Incentives	
	x.	An employer; not paying for title of job and hired, regarded as_____.	1
		(a) Pay Based on Competency	
Q.2	i.	Cafeteria style compensation(As per explanation)	4 marks
	ii.	Importance of compensation system in business organizations	6
		(1 mark*6)	
OR	iii.	Different kinds of monetary	(1 mark*3)
		Different kinds of Non-monetary rewards.	(1 mark*3)
Q.3	i.	Evolution of modern-day labour force.	4 marks

	ii.	List out different types of incentive plans	1 mark	6
		Explain any one with their merits and demerits.	(2.5 marks*2)	
OR	iii.	Define "theory of wages"	1 mark	6
		Explain them.	5 marks	
Q.4	i.	Collective bargaining(As per explanation)	4 marks	4
	ii.	How the wage is fixed in India	1 mark	6
		Two theory of wage determination.	(2.5 marks*2)	
OR	iii.	6 Different components of compensation package	(1 mark*6)	6
Q.5	i.	Process of job analysis(As per explanation)	4 marks	4
	ii.	'Internal Equity'	3 marks	6
		'External Equity'.	3 marks	
OR	iii.	Write short notes on: -		6
		(a) Job Evaluation	3 marks	
		(b) Performance Appraisal.	3 marks	
Q.6		Attempt any two:		
	i.	Knowledge and competency-based compensation	(2.5 marks*2)	5
	ii.	International compensation	2 marks	5
		Competitive strategies are important for international compensation	3 marks	
	iii.	Effect of Non-Financial compensation on employee performance		5
		(As per answer)	5 marks	

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