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**PRESIDENCY UNIVERSITY**

**Bengaluru**

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| **End - Term Examinations – JANUARY 2025** |
| **Date:** 16 – 01- 2025 **Time:** 09:30 am – 12:30 pm |

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| **School:** SOM-PG | **Program:** MBA | |
| **Course Code :** MBA3066 | **Course Name :** Compensation Management | |
| **Semester**: III | **Max Marks**: 100 | **Weightage**: 50% |

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| **CO - Levels** | **CO1** | **CO2** | **CO3** | **CO4** | **CO5** |
| **Marks** | **16** | **16** | **29** | **39** |  |

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *Do not write anything on the question paper other than roll number.*

**Part A**

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| **Answer ALL the Questions. Each question carries 3marks. 3Mx10Q=30M** | | | | |
| **1** | List out the objectives of sound compensation. | **3 Marks** | **Knowledge** | **CO1** |
| **2** | Explain the term Trade Union in India. | **3 Marks** | **Knowledge** | **CO1** |
| **3** | Outline the criteria of Wage fixations in organisations. | **3 Marks** | **Comprehension** | **CO2** |
| **4** | Explain the concept of fringe benefits and why sales force need to get fringe benefits. | **3 Marks** | **Comprehension** | **CO2** |
| **5** | Interpret the significance of a well-designed executive compensation in organizations. | **3 Marks** | **Application** | **CO3** |
| **6** | Interpret the concept of PCN, HCN & TCN with relevant examples. | **3 Marks** | **Application** | **CO3** |
| **7** | Interpret the factors that influence International Compensation Policy. | **3 Marks** | **Application** | **CO3** |
| **8** | Appraise the meaning of Compensation design and Strategy with relevant example. | **3 Marks** | **Analysis** | **CO4** |
| **9** | Differentiate between cultural and environmental schools of strategy. | **3 Marks** | **Analysis** | **CO4** |
| **10** | Interpret the changing compensation strategies in Organization. | **3 Marks** | **Analysis** | **CO4** |

**Part B**

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| **Answer ALL the Questions. Each question carries 10 marks. 10Mx4Q=40M** | | | | |
| **11** | Sound wage and salary administration helps to improve the motivation and morale of employees which in turn lead to higher productivity. Describe the mechanism of Wage and Salary Administration in India. | **10 Marks** | **Knowledge** | **CO1** |
| **Or** | | | | |
| **12** | Compensation design determines the value of specific, properly executed accomplishments toward the achievement of desired outcomes. Describe the compensation design strategy for mid-level employees in a service sector. | **10 Marks** | **Knowledge** | **CO1** |

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| **13** | The Job Evaluation that is a system for arriving at the net worth of employees based on comparison with appropriate compensation levels for comparable jobs across the industry as well as within the company. Discuss the various Job Evaluation Systems with relevant examples. | **10 Marks** | **Comprehension** | **CO2** |
| **Or** | | | | |
| **14** | BrightSales Ltd., a mid-sized retail company, wants to boost employee productivity and customer satisfaction in its stores. While the company offers competitive salaries, management has noticed declining motivation among sales staff. Store managers suggest introducing an incentive program to recognize and reward top-performing employees. Select incentive plans for the team and include the reasons for the choice. | **10 Marks** | **Comprehension** | **CO2** |

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| **15** | Interpret the concept of Executive compensation and list its component of compensation that you can include. | **10 Marks** | **Application** | **CO3** |
| **or** | | | | |
| **16** | GlobalNet Inc., a multinational IT firm, operates in 15 countries across North America, Europe, and Asia. Recently, the company faced challenges in managing compensation for its international workforce, including expatriates, local hires, and third-country nationals. Differences in economic conditions, labor laws, taxation systems, and cultural expectations have made it difficult to develop a consistent and fair compensation system. Interpret the above to suggest appropriate compensation approach to solve the above situation. | **10 Marks** | **Application** | **CO3** |

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| **17** | The strategic management process helps an organisation's leadership plan for its future goals. Setting a roadmap and actionable plan ensures that employees and leaders know where they're going and how to get there most efficiently and cost-effectively. Analyze the relationship between the descriptive schools of strategy and the flexibility required in compensation design. | **10 Marks** | **Analysis** | **CO4** |
| **or** | | | | |
| **18** | Interpret the various Descriptive school strategies with relevant examples. | **10 Marks** | **Analysis** | **CO4** |

**Part C**

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| **Answer all the Questions. Each Question carries 15 marks. 15Mx2Q=30M** | | | | |
| **19** | GreenFuture Energy, a renewable energy company, is facing increasing scrutiny from shareholders over its executive compensation structure. Despite consistent financial growth, the company has failed to meet its long-term sustainability goals, which are core to its mission. The existing executive compensation system is heavily weighted toward short-term financial metrics like quarterly revenue and profit margins.  With rising global demand for renewable energy, GreenFuture's board of directors believes that a revamped compensation structure is necessary to attract and retain top executives while ensuring alignment with the company’s sustainability objectives. Prepare an executive compensation package giving reasons for the choice of the pay components. | **15 Marks** | **Application** | **CO3** |
| **20** | TechVision Inc., a mid-sized technology firm, is at a crossroads in its growth journey. Initially, the company relied heavily on structured, long-term planning to navigate its competitive market. This prescriptive approach served well during its formative years, enabling it to establish a strong market presence. However, recent market disruptions, rapid technological advancements, and evolving customer needs are challenging the effectiveness of its rigid planning systems.  A new Chief Strategy Officer (CSO) proposes a shift toward a descriptive strategic approach, emphasizing flexibility, experimentation, and responsiveness to real-time market feedback. The executive team is now debating whether to retain the prescriptive model, adopt the descriptive model, or integrate elements of both.  TechVision Inc.’s leadership team is evaluating two recent strategic projects to determine the best path forward:   1. Project A (Prescriptive Approach):    * Five-year roadmap to develop and launch a new AI-powered product suite.    * Emphasized detailed market research, competitor analysis, and phased implementation.    * Outcome: Strong initial results, but the project lagged behind emerging market trends, causing a decline in sales post-launch. 2. Project B (Descriptive Approach):    * Agile strategy to test multiple prototypes for a new SaaS platform in small customer segments.    * Relied on real-time feedback and iterative improvements.    * Outcome: Rapid market entry and initial success, but scalability issues and inconsistent execution led to operational inefficiencies.   Questions:   1. Analyse the strengths and weaknesses of the prescriptive approach in Project A versus the descriptive approach in Project B. 2. Interpret in which business environments or projects would a prescriptive approach be more effective than a descriptive approach, and vice versa. 3. Appraise how the company should allocate resources to ensure that both strategic approaches are supported without causing internal conflict. | **15 Marks** | **Analysis** | **CO4** |

**\*\*\*\*\* BEST WISHES \*\*\*\*\***