



ROLL NO.

**PRESIDENCY UNIVERSITY, BENGALURU
SCHOOL OF MANAGEMENT**

Max Marks: 100

Max Time: 180 Mins

Weightage: 40 %

ENDTERM FINAL EXAMINATION

I Semester AY 2017-18

Course: **HRM302 COMPENSATION MANAGEMENT**

22 DECEM 2017

Instructions:

- i. Write legibly
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Part A

[10 Q x 2 M= 20 Marks]

1. What are the key considerations in designing merit guidelines?
2. What are the differences between traditional pay and competency pay?
3. Give any two advantages of Individualized Incentive Plans.
4. What is recency error? Give example.
5. What are the different types of variable pay plans?
6. Why organizations have profit-sharing plan?
7. List down some pay for time not worked components.
8. What are the duties of compensation committee?
9. How sales executives are compensated?
10. What are the elements of expatriate compensation package?

Part B

[8 Q x 5 M= 40 Marks]

11. What are the components of compensation structure? Are they sufficient? Explain.
12. How do you calculate earnings differing at different levels of output? Explain any two methods with examples.
13. Explain, using examples, the role of performance appraisal in compensation decisions?
14. What are the key elements in designing a Gain-Sharing Plan? Explain.
15. Write short notes on the various voluntary welfare amenities in India?
16. Is there justification for making higher payments to managerial cadre? If yes, why?
17. Explain balanced sheet approach for deciding International Compensation? Give its merits and demerits.
18. Describe some of the changes that took place in Income Tax last year?

Part C

[2 Q x 20 M= 40 Marks]

19. i) Why do companies set up ESOPs for Employees? Highlight the advantages and disadvantages of ESOPs? **[10 M]**
- ii) Explain, any two popular types of Employee Ownership Stock Holding Schemes? **[10 M]**
20. i) What do you think are the most important benefits to offer to the following employees:
- a) Young inexperienced female worker **[2.5 M]**
 - b) An ambitious mother of two **[2.5 M]**
 - c) A 45 year old employee with joint family **[2.5 M]**
 - d) Old employee about to retire in three years **[2.5 M]**
- ii) Discuss the various components of a typical benefits programme for a startup organization indicating their importance and scope. **[10 M]**



PRESIDENCY UNIVERSITY, BENGALURU
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Max Marks: 60

Max Time: 120 Mins

Weightage: 20 %

2016 MBA III SEMESTER
MID SEMESTER EXAMINATION

I Semester
AY 2017-2018

Course: **HRM 302 Compensation Management**

11 Oct 2017

Instructions:

- i. Write legibly
 - ii. Scientific and non-programmable calculators are permitted
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Part A

(5Q x 2 M= 10 Marks)

1. What is the concept of reward?
2. Are economic theories of wages relevant today?
3. What is 3P Compensation concept.
4. What is a living wage? Give example.
5. Give any two social objectives of wage policy.

Part B

(6 Q x 5 M= 30 Marks)

1. Describe the different dimensions of compensation using relevant examples?
2. What is non-financial compensation and what are its purposes?
3. Rewards in the shape of non-financial incentives are mainly because of motivational theories. Do you agree?
4. Explain the key policy considerations in Wage Determination in India?
5. Highlight the major features of 7th Pay Commission?
6. Identify the new trends in compensation practices in emerging organizations.

Part C

(2 Q x 10 M= 20Marks)

1. Assume that the supply of electrical technicians is low so a firm hires a group of them at \$18 per hour. Two years later, due to a recession, the supply of technicians is high so the market rate for them is now \$15 per hour.
 - a. Should the firm pay new hires \$18 or \$15? Justify your answer
 - b. Given that the firm bases pay on supply and demand, should it lower the pay of existing mechanics to \$15? Justify your answer
 - c. Why do you need a compensation policy?

2. Case: Pinnacle Custom Homes

Barry has noticed that Pinnacle Custom Homes isn't the cheerful, pleasant as it used to be earlier. Back when he was building six homes a year, everyone appeared to be dedicated to meeting deadlines, controlling costs, and keeping customers highly satisfied. But over the past two years the company has grown to 15 houses and added two new employees. Now it seems like everything is falling through the cracks: Deadlines are missed, mistakes are made on the houses, and work has to be redone. In addition, no one wants to accept responsibility for mistakes, and everyone blames someone else. Barry has also noticed that tempers are shorter, and he even has found himself arbitrating territorial disputes between departmental functions.

Yes, people may have become burned out from the increased work, but Barry had hired additional help in both the office and the field, and had increased salaries to keep pace with the market. But a lot of the fun and spark has gone out of the work, and Barry feels a distinct lack of enthusiasm or camaraderie in the ranks. Barry feels that he needs to revise the reward systems. As a consultant to Barry advise him on the following:

- a. Designing a system for rewarding employees.
- b. What, When and How to Reward?
