Name:

Enrolment No:



Semester: V

Time: 03 hrs.

UPES

End Semester Examination, December 2024

Course: Compensation Management

Program: BBA HRM

Course Code: HRES 3012 Max. Marks: 100

Instructions:

SECTION A 10Qx2M=20Marks

S. No.		Marks	СО
Q1	What does 'paying for person' focus on in the 3Ps approach?		
	a. Job-based pay structures		
	b. Capability-based pay and adjustments	[2]	CO1
	c. Fixed salaries		
	d. Group performance incentives		
Q2	What does internal equity in compensation refer to?	[2]	CO1
	a. Ensuring employees are paid fairly compared to employees in similar positions within the company		
	b. Paying employees more than competitors		
	c. Providing identical pay to all employees		
	d. Focusing solely on external market rates		
Q3	What is the role of job evaluation in compensation planning?	[2]	CO1
	a. To analyze market trends and competition		
	b. To determine the relative value of each job and convert it into		
	monetary value		
	c. To assess the company's financial health		
	d. To implement new IT systems		
Q4	Which of the following is a key component of compensation planning?	[2]	CO1
	a. Defining marketing strategies		
	b. Conducting job analysis to define job roles and responsibilities		
	c. Organizing company events		
	d. Planning employee training programs		
Q5	What does the Investment Theory of Wages emphasize?	[2]	CO1
	a. Wages are always at the subsistence level		
	b. Education, training, and experience as investments in productivity		

	c. A fixed sum of money allocated for wages		
	d. Wages are based solely on the supply side of labour		
Q6	Which approach to international compensation involves fixing	[2]	CO1
	compensation based on local market rates?		
	a. Balance Sheet Approach		
	b. Going Rate Approach		
	c. Profit Sharing Approach		
	d. Competitive Approach		
Q7	Which compensation method offers the maximum security to	[2]	CO1
	salesmen?		
	a. Straight Commission Plan		
	b. Straight Salary Plan		
	c. Salary Plus Commission Plan		
	d. Commission Plus Bonus Plan		
Q8	What led to the decline in the importance of Wage Boards over time?	[2]	CO1
	a. Increased government regulation		
	b. The rise of trade unions negotiating wages directly with management		
	c. A shift in focus towards technological advancements		
	d. The elimination of independent members from boards		
Q9	What are long-term benefits in an employee benefits package?	[2]	CO1
	a. Vacation days and holidays		
	b. Health insurance and wellness programs		
	c. Retirement savings and pension plans		
	d. Extra payments for time worked		
Q10	What is a common misconception about work-life balance?		
	a. It only concerns women employees		
	b. It is a stage in life that eventually passes		
	c. It is only a private issue		
	d. It affects everyone at all stages of life		
	SECTION B		
	4Qx5M= 20 Marks		
Q 11	Explain briefly the difference between Individual and Group Incentives	[5]	CO2
Q 12	Explain briefly the 3Ps approach to managing Compensation	[5]	CO1
Q13.	What role does Job Evaluation and Job Analysis play in determining compensation?	[5]	CO2
Q14.	What is Social Security and how does Compensation ensure it?	[5]	CO1

	SECTION-C				
3Qx10M=30 Marks					
Q15.	A Company hires Suresh in Pay Grade P1 in which the minimum salary is Rs 20000 and Maximum Salary is 30000. Ramesh is hired at Rs 23000. Calculate the following: 1. Range of Ramesh's Pay Grade P1 2. Mid Point of Grade P1 3. Compa Ratio for Ramesh 4. Is Ramesh being paid above market or below market? Comment 5. Show this pay grade in form of a figure and highlight what could be green circle rates and red circle rates in the figure.	[10]	CO3		
Q16.	"Motivation Theories Like Vroom's Expectancy Theories and Adam's Equity Theory have direct implications for Compensation Design." Explain the statement with suitable examples.	[10]	CO2		
Q17.	What is the difference between Individual, Group and Company Wide Incentives? Explain with examples in each category of incentives	[10]	CO3		
	SECTION-D				
Q 18	2Qx15M= 30 Marks Case Study - CEO Pay in News		1		
	A recent campaign by organized labor unions has brought the issue of executive compensation into the public eye. Media coverage of executive compensation concerns has been extensive over the past few weeks with articles in national publications and a featured story on a television special, in addition to stories on local news stations. This extensive coverage has highlighted public concerns of the high level of pay that top executives receive. The union promotes an executive compensation awareness campaign every year as a strategy to build awareness of perceived inequities between the pay of CEOs and frontline employees. Such awareness often prompts employees to consider forming a union, resulting in the growth of national unions. The publicity has caused some turmoil at Oakwood Lawns. For the first time, the company's CEO pay is featured as an example of perceived excess in the executive suite. Several field managers have been in touch with Don Henry, the director of human resources, to report that employees are outraged at the rate of pay of the company CEO and other top executives. In addition to the company's desire to remain union free, Don also knows that such outrage could lead to low morale and other problems at Oakwood. The union targeted Oakwood because it is a big company that has faced some financial challenges. The landscaping company has more than 15,000 employees in offices throughout the Midwest, and most of its employees are frontline laborers. The media coverage has been extensive in the area, and many company employees who viewed the story were surprised to learn the CEO is among the highest paid in the United States. The news was especially difficult to hear as the company recently announced that employees would not receive an annual pay	[30]	CO4		

increase due to the financial challenges the company is facing. Oakwood CEO's annual salary is \$975,000. Add a bonus, stock awards, retirement benefits, and other benefits, and his total compensation is close to \$10 million a year. The average landscaping technician is paid \$28,000 annually. The disparity is clear, and Don must now plan a response to address the employees' concerns.

- a. What are key observations and challenges highlighted in the Case?
- b. What additional information about the CEO's pay package should Don identify to potentially share with the employees?
- c. How can Don explain the pay disparity to the employees to ease their concerns about the fairness of the CEO's pay?