


<b>Name:</b>			
<b>Enrolment No:</b>			
<div><div>UPES</div><div>End Semester Examination, May 2025</div><div><div>Course: Compensation Management</div><div>Program: Integrated BBA MBA</div><div>Course Code: HRES3012P</div></div><div><div>Semester: VI</div><div>Time: 03 hrs.</div><div>Max. Marks: 100</div></div></div>			
<b>Instructions:</b> <i>All Questions are Compulsory</i>			
<div>SECTION A</div> <div>10Qx2M=20Marks</div>			
S. No.		Marks	CO
Q 1	Which of the following is a discretionary benefit? a) Provident Fund b) Gratuity c) Wellness Program d) Social Security	[2]	CO1
Q2	What is the key concept behind "internal consistency" in compensation? a) Linking salaries to market competition b) Aligning salaries with job worth inside the company c) Eliminating bonuses d) Matching executive salaries across firms	[2]	CO1
Q3	In a skill-based pay plan, “horizontal skills” refer to: a) Leadership abilities b) Specialist knowledge in one task c) Multiple but similar job functions d) Cross-departmental movement	[2]	CO1
Q4	Which of the following is not a valid type of pay-for-performance incentive? a) Piecework b) Spot bonus c) Job rotation d) Gainsharing	[2]	CO1
Q5	A red circle rate occurs when: a) An employee is underpaid b) An employee is on minimum wage c) Pay is above the maximum of the salary range d) Pay is aligned with market	[2]	CO1

Q6	The point method of job evaluation is based on: a) Group discussions b) Survey data only c) Assigning numerical values to compensable factors d) Historical pay practices	[2]	CO1
Q7	The balance sheet approach in expat compensation is designed to: a) Eliminate local pay disparities b) Maintain host country lifestyle c) Ensure parity with international peers d) Maintain home-country living standard	[2]	CO1
Q8	What is the main difference between gainsharing and profit-sharing? a) Profit-sharing focuses on departments b) Gainsharing is based on individual sales c) Gainsharing links rewards to productivity improvements d) Profit-sharing rewards based on attendance	[2]	CO1
Q9	What kind of draw is not required to be repaid if a salesperson doesn't meet targets? a) Fixed draw b) Variable draw c) Non-recoverable draw d) Recoverable draw	[2]	CO1
Q10	Which plan is best suited for rewarding cost-saving suggestions by employees? a) Piecework b) Improshare c) Commission-only d) Sales Bonus Plan	[2]	CO1

**SECTION B**  
**4Qx5M= 20 Marks**

Q11	Write a short note on the significance of market match, lead, and lag pay policies.	[5]	CO2
Q12	Explain the concept and use of "broadbanding" in compensation structuring.	[5]	CO2
Q13	A Pay Grade G7 in a Company has Mid Point of Rs 12000. If this grade has a Range spread of 50 % Calculate the minimum and maximum Pay values for the Grade.	[5]	CO3
Q14	List the three major categories of discretionary benefits with two examples each.	[5]	CO2

**SECTION-C**  
**3Qx10M=30 Marks**

Q 16	You are asked to design a sales compensation plan. The current model uses base salary only. The management wants to introduce performance incentives without compromising income stability. Recommend a hybrid model with rationale.	10	CO3
Q 17	ABC Corporation has designed a new pay structure for the role of Senior Analysts. The pay range for this role is defined as follows: Minimum Salary: ₹60,000 per month Midpoint Salary: ₹75,000 per month Maximum Salary: ₹90,000 per month Mr. Raj, a high-performing Senior Analyst, currently earns ₹82,500 per month. a) Calculate the Range Spread for the Senior Analyst role. b) Calculate the Compa-Ratio for Mr. Raj. c) Interpret the meaning of Mr. Raj's compa-ratio result.	10	CO2
Q 18	An international food retail company is planning to send employees on long-term foreign assignments. As an HR manager, compare the “home country-based” and “host country-based” approaches for expatriate pay and recommend one.	10	CO2
<b>SECTION-D</b> <b>2Qx15M= 30 Marks</b>			
Q 19	<b>CASE STUDY</b> <p>With the demand for more nutritional food options growing, Nutriment Biotech is positioned to become a leader in agricultural biotechnology. Nutriment is a start-up biotech company that is working to develop genetically engineered food crops that offer enhanced nutrition along with easier production for farmers. Emily Hart and Harold James established Nutriment as a research organization through national grant funding 5 years ago. Nutriment is one of only a few agricultural biotechnology companies focused on enhancing nutrition in food crops. The company currently has an edge over competitors as its research has led to some scientific discoveries that now position them to grow their company significantly.</p> <p>As a result, Nutriment is ready to start hiring staff to get operations started. Emily and Harold have hired Jack Stewart, an HR management consultant, to help them determine how to hire the most talented staff to grow their business. Jack works mostly with start-up technology-based companies and plans to help Nutriment implement a recruiting and hiring plan and establish its preliminary HR management practices such as its pay structure. Nutriment has secured additional funding to allow it to ramp up full operations quickly. An analysis of its projected workload suggests it will need to hire approximately 15 new employees to get started. It will need to hire not only 10 new scientists but also administrative staff members including a receptionist, an office manager, a lab manager, a marketing professional, and an accountant. As an experienced recruiter, Jack is confident that he will be able to quickly identify strong candidates for the administrative staff positions. The current labor market works in</p>	[15]	CO4

	<p>Nutriment's favor, and, therefore, Jack will be able to easily generate a pool of qualified applicants. The scientists, on the other hand, will be challenging to find as they need specific expertise related to agricultural biotechnology and genetic engineering. The number of scientists with this combination of skills is limited, and the scientists are in demand by competitors.</p> <p>However, Nutriment is located in a geographic area rich with research universities and other biotech firms, so Jack is confident that it can attract a good pool of talent if it is able to offer an opportunity that is attractive to the scientists. To start the recruiting process, Jack must first establish a pay structure. Before he starts researching market rates, Jack plans to meet with Emily and Harold to establish pay level policies and discuss other strategic aspects of determining the compensation structure for the new employees. Nutriment must offer a pay package that will allow it to attract and retain both the administrative staff members and the scientists. Establishing the right pay practices will help ensure that the recruitment process allows it to put talent in place to position Nutriment for success.</p> <p>a. What are your key observations and challenges in the Case?</p>		
Q 20	<p>With respect to the Case Above answer the following:</p> <p>a. What are some strategic considerations for establishing Pay Structure at Nutriment</p> <p>b. Should Jack suggest a Lead, Lag or Match strategy? Explain your Choice</p>	[15]	CO4