



Name:

Enrolment No:

UPES

End Semester Examination, May 2024

Course: Compensation Management

Program: Integrated BBA MBA HR SPZ

Course Code: HRES 3012

Semester: VI

Time: 03 hrs.

Max. Marks: 100

Instructions: Please Attempt All the four Sections of the Question Paper

SECTION A
10Qx2M=20Marks

S. No.		Marks	CO
Q 1	<p>What is the role of job evaluation in determining compensation?</p> <p>a. To establish external equity. b. To promote organizational politics. c. To determine an employee's potential. d. To measure job difficulty and worth</p>	[2]	CO1
Q2	<p>What is the primary purpose of compensating employees adequately?</p> <p>a. To reduce the number of employees in the organization b. To ensure employees are treated equally. c. To motivate employees for better performance. d. To encourage employees to join trade unions.</p>	[2]	CO1
Q3	<p>What does the 3P approach to compensation management focus on?</p> <p>a. Position, Performance, Pay b. Promotion, Performance, Profit c. Pay, Perks, Performance d. Position, Person, Performance.</p>	[2]	CO1
Q4	<p>What are the two main categories of pay systems?</p> <p>a. Basic rate systems and incentive systems b. Fixed rate systems and variable rate systems c. Short-term incentive systems and long-term incentive systems d. Individual-based systems and group-based systems</p>	[2]	CO1
Q5	<p>Which type of pay scheme measures inputs, such as skills and competencies, rather than outputs?</p> <p>a. Team-Based Pay b. Market-Based Pay</p>	[2]	CO1

	c. Gain Sharing Incentive Plan d. Competency and Skills-Based Pay		
Q6	Which of the following is a Group or Departmental Level Incentive? a. Piece Rate Pay b. Gainsharing c. Profit Sharing d. ESOPs	[2]	CO1
Q7	What is the significance of a compensation committee in executive compensation? a. It consists of executives eligible for compensation b. It consists of independent board members responsible for executive compensation c. It has no role in executive compensation d. It sets base salary for all employees	[2]	CO1
Q8	Why is it important to consider prevailing compensation patterns in the community and industry when designing a sales compensation plan? a. To provide lower compensation than competitors b. To ensure that the company's plan is completely unique c. To maintain industry standards and employee satisfaction d. To avoid any changes in compensation based on external factors	[2]	CO1
Q9	What makes up the total compensation of an employee? a. Only the base pay b. The base pay and benefits c. Only benefits d. Bonuses and overtime pay	[2]	CO1
Q10	What does "work-life balance" involve ? a. Managing competing roles at work b. Balancing financial investments c. Balancing a diet and exercise routine d. Achieving professional excellence	[2]	CO1
SECTION B 4Qx5M= 20 Marks			
Q11.	List down 2 internal and 2 external factors which influence Compensation. Explain one in brief.	[5]	CO2
Q12.	What is the meaning of 3Ps approach in Compensation? Explain in brief.	[5]	CO1
Q13.	What are Fringe Benefits? Explain in brief with some examples	[5]	CO2
Q14.	Write Short Notes on any one of the following: a. Economic Wage Theories b. Motivation Wage Theories	[5]	CO1

	c. Profit Sharing												
SECTION-C 3Qx10M=30 Marks													
Q15.	<p>A Apparel's Company decided to give Individual Incentives to their Salesmen based on a Piece Rate Plan. The minimum guaranteed pay per hour is at the Rate of Rs 500 for a standard Sales of Upto 50 Units in a 4 hour shift. Any additional Unit sold above 50 attracts a piece rate incentive of Rs 12 per piece.</p> <p>If the following are the details of the hourly Sales of Suresh:</p> <table style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Slot</th> <th style="text-align: left;">Output</th> </tr> </thead> <tbody> <tr> <td>First Hour</td> <td>75</td> </tr> <tr> <td>Second Hour</td> <td>45</td> </tr> <tr> <td>Third Hour</td> <td>80</td> </tr> <tr> <td>Fourth Hour</td> <td>60</td> </tr> </tbody> </table> <p>Calculate the following:</p> <ol style="list-style-type: none"> 1. What will be the total money which Ramesh is entitled to get at the end of the four hour shift. 2. What is the amount of Incentive which Ramesh Gets and it's % of the Total Amount. 	Slot	Output	First Hour	75	Second Hour	45	Third Hour	80	Fourth Hour	60	[10]	CO3
Slot	Output												
First Hour	75												
Second Hour	45												
Third Hour	80												
Fourth Hour	60												
Q16.	Motivation Theories Like Herzberg's Two Factors Theory and Adam's Equity can be applied to Compensation Design." Explain the statement with suitable examples.	[10]	CO2										
Q17.	"There are various options through which organizations can give Incentives to their Sales Staff".What are the various Options with respect to Sales Incentives mentioned in the statement. Explain in detail.	[10]	CO3										
SECTION-D 2Qx15M= 30 Marks													
Q18.	<p style="text-align: center;">CASE STUDY</p> <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. 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</p>	[15]	CO4										

	<p>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 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. 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>Answer the following based on the Case Study:</p> <ul style="list-style-type: none"> a. What are your key observations in the Case? b. What the challenges Jack in the Case 		
Q19	<ul style="list-style-type: none"> a. What are some strategic considerations in establishing a pay structure at Nutriment? b. Should Jack suggest a pay policy to lead, lag, or match the market? Explain your recommendation. 	[15]	CO4