

# CBCS SCHEME

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16/17MBAHR303

Third Semester MBA Degree Examination, Dec.2018/Jan.2019

## Compensation and Benefits

Time: 3 hrs.

Max. Marks:80

**Note:** 1. Answer any FOUR full questions from Q.No.1 to 7.  
2. Q.No. 8 is compulsory.

- 1 a. What do you mean by compensation? (02 Marks)  
b. Briefly explain the components of employee compensation system. (06 Marks)  
c. What is pay model? Explain basic components of pay model. (08 Marks)
- 2 a. What is Internal Alignment? (02 Marks)  
b. What are the factors that shape Internal structure? Why? (06 Marks)  
c. Explain the strategic choices in Internal Alignment Design. (08 Marks)
- 3 a. What does the word competitiveness refer to in compensation management? (02 Marks)  
b. Explain different Job Evaluation Methods. (06 Marks)  
c. What factors shape the external competitiveness in deciding compensation of an employee? Explain. (08 Marks)
- 4 a. What are "Benefits" as per compensation management? (02 Marks)  
b. Who are expatriates? Explain the elements of expatriate compensation. (06 Marks)  
c. Explain legally required benefits for an employee. (08 Marks)
- 5 a. Which are the most commonly used variable components of employee's salary? (02 Marks)  
b. Explain Pay Policy Alternatives. (06 Marks)  
c. Which are the legal issues to be addressed in compensation management? Explain. (08 Marks)
- 6 a. What is Merit Pay and variable pay? (02 Marks)  
b. Who are considered as special groups? How is their compensation Deigned? (06 Marks)  
c. Explain the different Incentives scheme, given to employees in the organization. (08 Marks)
- 7 a. What are Incentives? (02 Marks)  
b. Explain the factors that create differences in the Global compensation? (06 Marks)  
c. What is Budgetary Control in compensation management? What are the associated advantages and problems? Explain. (08 Marks)

8

**Case Study**

In a public sector undertaking with a chequered past, a line manager was appointed as the chief of personnel. Within a year after taking up the assignment, he had to sign a wage agreement with the workers union. The union at that time was dominated by non-technical staff. The unions charter of demands favored the interests of its dominant workers. It asked for a significant revision in gardeners pay rather than pressing on increases in the pay scales of workers in certain technical grades. The management considered these demands because the union always cooperated with them, but still the pay revision was well within the guidelines.

Once the agreement was signed and communicated to employees, there was commotion among the technical staff. They walked out of the union formed separate technical staff union and marched round the company holding placards, which read "Here grass cutters get more than gas cutters". In that engineering assembly unit, till the pay revision occurred, welding was a highly rated job, But, now gardners get more than welders.

**Questions :**

- a. What happens if grass cutters get more than gas cutters? (04 Marks)
- b. Does skills/competancies play a role in deciding ones salary? Comment. (06 Marks)
- c. How would you handle the situation, if you were to design compensation? (06 Marks)

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