

CBCS Scheme

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16MBAHR303

Third Semester MBA Degree Examination, Dec.2017/Jan.2018 Compensation and Benefits

Time: 3 hrs.

Max. Marks:80

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

- 1 a. What is compensation? (02 Marks)
b. Explain the types of compensation management. Explain with examples. (06 Marks)
c. What compensation strategic choices help achieve company's competitive strategy? (08 Marks)
- 2 a. What do you mean by job evaluation? (02 Marks)
b. Explain various internal pay structures in detail. (06 Marks)
c. Explain and enumerate major decisions in job evaluation. (08 Marks)
- 3 a. What is flat time rate method? (02 Marks)
b. Explain the various legally required benefits. (06 Marks)
c. Describe the methods of calculation of compensation with suitable examples. (08 Marks)
- 4 a. What are wage surveys? (02 Marks)
b. What shapes external competitiveness? (06 Marks)
c. Discuss the framework of pay modal for examining current pay system. (08 Marks)
- 5 a. What are Retirement benefits? (02 Marks)
b. Explain the benefits determination process in detail. (06 Marks)
c. Describe and elucidate exhaustive list of all pay for performance plans. (08 Marks)
- 6 a. What are group Incentives? (02 Marks)
b. Explain the strategies of compensation for special groups. (06 Marks)
c. Write short notes on: (i) Long term Incentives (ii) Merit pay vs Variable pay. (08 Marks)
- 7 a. What do you mean by pay Discrimination? (02 Marks)
b. Give a brief description on Expatriate pay. (06 Marks)
c. Discuss the various legal and administrative issues in Global compensation management. (08 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg. 42+8 = 50, will be treated as malpractice.

8 Case Study :

The Unitech Pvt. Ltd. is a mobile manufacturer, Mr. Lokesh established the company in 1998, he was keenly aware of the importance of a highly motivated workforce, and how the company's success, in fact depended on it. Therefore, Mr. Lokesh had to ensure that each employee would work as diligently as possible for the good of the organization.

Mr. Lokesh realized that the best way to motivate employees would be to link the company's reward and recognition system to its goals. To establish this connection, Mr. Lokesh developed and implemented a comprehensive incentive system. Its aim was to improve the company's overall performance by allowing contributing workers to share in the proceeds. The plan rewards employees for turning out quality products effectively while controlling costs. The system includes the following components.

Paying by piece rate : Production workers are paid according to the number of "Pieces" or product units they produce that are not defective. If a customer sends a defective piece back to the company, the employee who produced it must repair it on his or her own time.

Paying year end bonus : To reward workers further for their efforts, Mr. Lokesh introduced a year end bonus system that gives all workers an opportunity to nearly double their salaries. Employees get the bonus if the company's annual profit increases.

Providing stock options : Mr. Lokesh also provided his employees with the option buying company's stock at a low cost. Employees are also given shares of the company's stock based on annual profits.

Questions:

- a. How does Mr. Lokesh want to motivate his work force? (04 Marks)
- b. What would be the future expectation of Mr. Lokesh from his employees? (04 Marks)
- c. Would you agree with Mr. Lokesh and his comprehensive incentive systems? Substantiate your answers with reasons. (04 Marks)
- d. What are other rewards do you think that will sustain the motivation of the employees? (04 Marks)
