

# END TERM EXAMINATION

THIRD SEMESTER [MBA] DECEMBER 2014-JANUARY 2015

Paper Code: MS-225

Subject: Compensation Management

Time: 3 Hours

Maximum Marks: 60

Note: Attempt any five questions including Q no. 1 which is compulsory.

- Q1 Write notes on **any five** of the following:- (5x4=20)
- (a) Elements of Expatriate's compensation Package
  - (b) Rucker Plan
  - (c) Stair-step model of Person-Focused Pay
  - (d) Pros and cons of broad-banding
  - (e) Cafeteria style compensation
  - (f) Benefits of ESOPs to employer and employee
  - (g) Influence of reverse discrimination on executive compensation plan
  - (h) Approaches to deal with the workforce redundancy.
- Q2 Discuss the Provisions of Companies Act that deal with compensation of CEOs and comment on their relevance in present context. (10)
- Q3 (a) A worker takes 9 hours to complete a job on daily wages and 6 hours on a scheme of payment by results. His day rate is Rs. 75 per hour. Calculate his earnings under: (5)
- (i) Price-work plan
  - (ii) Halsey plan
- (b) 'With fluctuations in nearly every factor of the economy a "market standard" for salaries is fast becoming a myth.' Comment. (5)
- Q4 The choice you make in how you analyze jobs has a direct impact on the results of your analysis. Compare and contrast any two job analysis approaches and explain when you would use each one. (10)
- Q5 Comment on the following:- (2.5x4=10)
- (a) 'Pay grades limit a company's ability to achieve competitive advantage.
  - (b) 'Employees' benefits are seen by employees as an entitlement for their membership in companies.'
  - (c) 'Contingent workers should be compensated on a pay-for-knowledge system.
  - (d) Trade union make it difficult for companies to attain competitive advantages.'
- Q6 Define each of the following:- (1x10=10)
- (a) Call-back pay
  - (b) Dual-track system
  - (c) Garnishment
  - (d) Improshare
  - (e) Red-circle rates
  - (f) Re-opener clause
  - (g) Rule of 72
  - (h) Severance pay
  - (i) Topping out
  - (j) Skill (knowledge) blocks