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MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION : JUNE- JULY- 2022
SEMESTER - IV
Sub: Compensation Management (MHR403)

Date: 06 /07/2022

Total marks: 60

Time: 10.00am to 12.30pm

SECTION – I

Q. 1. Fill in the blanks. (5)

1. Wages represents _____ rates of pay.

a) Daily	b) Monthly
c) Weekly	d) Yearly

2. The following is paid only at the time of employees exit after serving more than five years

a) Provident Fund	b) Compensation
c) Gratuity	d) Incentives

3. The following is a perquisite.

a) Club Membership	b) Medical allowance
c) Provident fund	d) Group Insurance

4. Equal remuneration Act 1976, prohibits discrimination in matters relating to remuneration on the basis of _____.

a) Religion	b) Gender
c) Region	d) All of the above

5. _____ is a systematic approach to providing monetary value to employees

a) Incentive	b) Compensation
c) Bonus	d) None of the above

Q. 2. Answer the following. (Any Two) (20)

1. What is compensation management? Explain in detail.
2. Discuss in detail the Governments influence on compensation management.
3. Give the objectives of Compensation management.
4. There are a few factors that influence compensation management of any company. Explain them.

Q. 3. Write notes on. (Any Two) (10)

1. Wages
2. Salary
3. Perquisites

SECTION – II

Q. 4. Case Study

(15)

R.K. Electronics was established in 2003. It was mainly into production and marketing of different types of computer hardware ancillary parts. The company's policies and practices were pride for the management and it had set a benchmark for its competitors.

The company was progressing at a stable rate. The management was planning for its expansion. Under expansion program the company employed 300 graduates and post graduate engineers in the last 3 years. The company's salary and benefit policies were formulated about 5 years ago on the basis of suggestions of the senior employees who had currently occupied higher and crucial positions. Thus the take home salaries were comparatively low and indirect compensation included exhaustive list of benefits including pensions and post retirement health benefits for employees and their families.

The young employees demanded that the management should see to it that their take home salaries and allowances increased instead of their extensive fringe benefits in kind. They argued that this will improve their lifestyle and help combat inflation. The senior employees continued to favour fringe benefits which will help them in post retirement life. They also pointed that higher salary means higher taxation. The management was in dilemma.

Questions:

- i. As a HR Manager, identify the main issues involved in the case.
- ii. Suggest remedial measures to resolve this issue.
- iii. Give a suitable title to the case.

Q. 5. Answer the following:

(10)

- a) Explain in detail the main components of compensation Management

OR

- b) What are the future trends in Compensation Management?
