

6 pages)

Reg. No. :

Code No. : 7679

Sub. Code : ZBAE 45

M.B.A. (CBCS) DEGREE EXAMINATION,
APRIL 2023.

Fourth Semester

Business Administration

Elective – COMPENSATION AND REWARD
MANAGEMENT

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. It is a systematic approach to providing monetary value to employees.
 - (a) Salary
 - (b) Allowances
 - (c) Compensation
 - (d) Rewards

2. Any compensation plan must be
 - (a) Understandable, workable, acceptable
 - (b) Reasonable, workable, acceptable
 - (c) Understandable, feasible, acceptable
 - (d) Understandable, workable, compensable
3. The following is not a concept of wage
 - (a) Minimum wages
 - (b) Daily wages
 - (c) Fair wages
 - (d) Living wages
4. A _____ must be fixed considering the general economic conditions of the country.
 - (a) Minimum wages
 - (b) Fair wages
 - (c) Living wages
 - (d) All of the above
5. The benefit plans that accommodate employee preferences for planning of benefit which is allowed by employer are classified as
 - (a) Insurance benefit plans
 - (b) Fixed benefit plans
 - (c) Pension benefit plans
 - (d) Flexible benefit plans

Page 2

Code No. : 7679



6. An organisation's reward strategy
 - (a) Defines the pay structures
 - (b) Reflects organisational priorities
 - (c) Seeks to ensure a stable workforce
 - (d) Is based on achieving a fair day's work for a fair day' pay
7. They are variable rewards granted to employees according to variations in their performance.
 - (a) Remuneration (b) Perks
 - (c) Fringe Benefits (d) Incentives
8. Which of the following is not an objective of wage incentive programmes?
 - (a) Developing ownership interest
 - (b) Improving employee retention
 - (c) Facilitating the separation of employees
 - (d) Reducing labour cost
9. The special perk available for executives to provide the security against the loss of job while takeover of companies is classified as
 - (a) Golden parachute
 - (b) Silver parachute
 - (c) Decency parachute
 - (d) Primacy parachute

Page 3

Code No. : 7679

10. The non-cash benefits usually reserved for executives of organization are classified as
 - (a) Perks (b) Incentives
 - (c) Bonus plans (d) Options plan

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Write the need of direct compensation in organisation.

Or

- (b) What are the challenges faced in designing a compensation programme?

12. (a) What is piece-rate system in compensation management?

Or

- (b) Identify the rationale behind setting up of Pay commission.

13. (a) How reward system motivate employees?

Or

- (b) Differentiate the terms reward and compensation.

Page 4

Code No. : 7679

[P.T.O.]



14. (a) What is fringe benefits? Give examples.

Or

- (b) What are the salient features of profit sharing and state its benefits?

15. (a) Explain the factors affecting executive compensation.

Or

- (b) List out the critical issues in designing and implementing pay-for-performance systems.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Compensation is a motivation tool — Comment.

Or

- (b) Elaborate the compensation philosophies adopted by various organizations for providing compensation.

17. (a) Explain the concept of wage and salary administration. Highlight the principle and functions of wage and salary administration

Or

Page 5 Code No. : 7679

- (b) Outline the importance of wages boards for fixation of wages. Also explain various pay commissions appointed by the government of India.

18. (a) Discuss briefly the statutory provisions governing different components of rewards system.

Or

- (b) Evaluate different forms of reward which Indian organisations offer to their employees.

19. (a) Analyze the benefits of well designed incentive pay system and discuss their limitations.

Or

- (b) Elucidate the operation of ESOP and why it benefits employer and employee.

20. (a) Examine the components of compensation package for Senior managers and Chief Executives in Indian industry.

Or

- (b) Identify the elements of MNC compensation package for their employees with real time example.

Page 6 Code No. : 7679

