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MBA/IVS/HR - 402/13

2013

MASTER OF BUSINESS ADMINISTRATION

[Fourth Semester Examination]

COMPENSATION MANAGEMENT

(Specialisation : *Human Resource Management*)

PAPER— MBA - HR-402

Full Marks : 100

Time : 3 hours

The figures in the right-hand margin indicate marks

Candidates are required to give their answers in their own words as far as practicable

Illustrate the answers wherever necessary

Write the answers to Questions of each Half in separate books

FIRST HALF

[Marks : 50]

(Turn Over)

1. Answer any *four* questions : 5 × 4

- (a) Distinguish between 'Fair Wage' and 'Living Wage'.
- (b) "Payment of DA linked with CPI has a great disincentive to highly skilled employees due to narrowing down of wage differentials" – How far do you agree with this view ?
- (c) "Compensation is a more critical managerial issue than wage and salary administration" – Discuss the comment critically.
- (d) Write notes on "Chakraborty Committee recommendations on wage in India.
- (e) Write in brief "Job description" and "Job specification" for the post of "Placement Officer" in a B-School.
- (f) Explain the Iron law of wages.

2. Answer any *two* questions : 10 × 2

(a) Using Point Rating System of Job Evaluation evaluate the following jobs quantitatively :

(i) Clerk

(ii) Office Superintendent

(iii) Peon.

(b) Mr. Sen an employee of ABC Ltd. gets the following emoluments and benefits :

(i) Salary Rs.2,500 per month

(ii) D.A. on 1st Rs.1,000 of salary is Rs.4,000 on next Rs.1,000 of salary Rs.1,000 and on balance of every Rs.1,000 or part thereof @ 50 %.

(iii) Employer's contribution to P.F - 8% of salary and D.A. Employer's contribution to ESI - 4 % of salary and D.A.

(iv) Bonus @ 20 % of salary and D.A.

(4)

(v) Other allowances Rs.20,000 per annum.

Considering Standard deductions as stated in the Payment of Wages Act, 1936, prepare a Pay Slip of Mr. Sen for a month. Given that his Income Tax calculation is related to following tax slabs per annum –

On Rs. 1,00,000 – no tax

Rs.1,00,001 – 2,00,000 @ 30 %

(c) Briefly describe the techniques for fixation of wage and salary levels.

[*Internal Assessment* : 10 Marks]

SECOND HALF

[*Marks* : 50]

3. Answer any *four* of the following questions : 5 × 4

(a) What are the purposes of Equal Remuneration Act, 1976 ?

(b) State the difference between Halsey and Rowan plan of incentive system.

(c) Mention the characteristics of a good incentive scheme.

(d) How are the perquisites different from other components of compensation package ?

(e) What types of allowances are exempted for tax relief ?

(f) What are the purposes of payment of Bonus Act, 1965 ?

4. Answer any *two* of the following questions : 10×2

(a) What is Employee stock option plan ? What are its advantages ? 4 + 6

(b) State the objectives of the Minimum Wages Act and the payment of Wages Act. State the provisions relating to the payment of wages as per the payment of Wages Act, 1936. 3 + 3 + 4

(6)

- (c) Explain in detail the various steps in designing a custom-tailored performance-linked reward scheme. 10

[*Internal Assessment* : 10 Marks]
