

**2015**

**M B A**

**4th Semester Examination**

**Subject : COMPENSATION MANAGEMENT**

**(Specialization : Human Resource Management)**

**PAPER—HR-402**

*Full Marks : 100*

*Time : 3 Hours*

*The figures in the right-hand margin indicate full 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)**

1. Answer any four questions : 4×5
- (a) Distinguish between 'wage' and 'Salary'.
  - (b) Briefly describe 'Residual claimant' theory.
  - (c) Describe the different types of DA which are applicable in Indian organizations.

*(Turn Over)*

- (d) What do you mean by the term 'living wage'?
- (e) State the functions of Wage Board in India.
- (f) What is 'point rating system' in regard to Job evaluation?

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

- (a) Discuss the criteria determining the wage rate in India.
- (b) Discuss the different techniques of Job evaluation.
- (c) Explain the terms internal equity, external equity and individual equity with examples.

**[ Internal Assessment : 10 Marks ]**

**( Second Half )**

(Marks : 50)

1. Answer any *four* questions : 4×5
- (a) State the role of "Set-off" and "Set-on" in the process of payment of bonus.
  - (b) Illustrate the 'Payment of Wages Act, 1936' in the light of authorized deduction and payment of wages.
  - (c) How does Group Incentive differ from Individual Incentive?

- (d) What are the allowances which are exempted for tax relief under Income Tax Act, 1961 ?
- (e) Narrate the advantages of "Employees Stock Option Plan".
- (f) How does executives compensation differ from that of employees ?

2. Answer any *two* questions : 2×10

- (a) An operator, engaged in machining certain components, receives an ordinary day rate of Rs.16/- per day of 8 hours. The standard output for machining the components has been fixed at 80 pcs. per hour. On a certain day, the output of the worker on this machine is 800 pcs. Find the labour cost per 100 pcs. and the wages that should have been actually by the workman under the following condition:
  - (i) If a bonus of Rs. 2.30/- is paid per 100 pcs. of extra output.
  - (ii) If a bonus is paid on straight piece work basis at the standard rate.
- (b) "Minimum Wages Act, 1948 is a piece of social legislation which provides protection to workers in employments in which they are valuable to exploitation on account of the lack of organization and bargaining power and where sweated labour is most prevalent".—Illustrate the statement.

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

- (i) Salary Rs. 25,000 per month.
- (ii) D.A. on 1<sup>st</sup> 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.
- (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 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%.

**[ Internal Assessment : 10 Marks ]**

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