

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306

**POST GRADUATE DIPLOMA IN MANAGEMENT (2022-24)**  
**END TERM EXAMINATION (TERM -III)**

Subject Name: **Compensation, Benefits and Rewards Management**

Time: **02.00 hrs**

Sub. Code: **PGH32**

Max Marks: **40**

**Note:**

**All questions are compulsory. Section A carries 5 marks: 5 questions of 1 mark each, Section B carries 21 marks having 3 questions (with internal choice question in each) of 7 marks each and Section C carries 14 marks one Case Study having 2 questions of 7 marks each.**

**Kindly write the all the course outcomes as per your TLEP in the box given below:**

<p><b>CO1-</b> Relate compensation management to wage theories and concepts  <b>CO2-</b> Describe the process and evaluate the implications of job evaluation  <b>CO3-</b> Identify the internal and external environmental factors that have an impact on the pay structure of an organization  <b>CO4-</b> Demonstrate an understanding of the process of designing a pay structure  <b>CO5-</b> Analyze, integrate, and apply the knowledge to solve compensation-related problems in organizations.</p>
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**SECTION – A**

Attempt all questions. All questions are compulsory.

**1×5 = 5 Marks**

<b>Questions</b>	<b>CO</b>	<b>Bloom's Level</b>
<p><b>Q. 1: (A).</b> Write a short note on residual claimant theory of wages.  <b>Q. 1: (B).</b> Explain Subsistence theory of wages  <b>Q. 1: (C).</b> Highlight main features of the Employee State Insurance Act, 1948.  <b>Q. 1: (D).</b> Describe the components of employee compensation  <b>Q. 1: (E).</b> Leave is a very popular benefit given to employees. What are the different kinds of leaves which are given. What is the statutory requirement in terms of leave to employees?</p>	CO1	

**SECTION – B**

All questions are compulsory (Each question have an internal choice. Attempt any one (either A or B) from the internal choice)

**7 x 3 = 21 Marks**

<b>Questions</b>	<b>CO</b>	<b>Bloom's Level</b>
<p><b>Q. 2: (A).</b> Imagine that you work in an organisation where performance-related pay has recently been introduced. You are appraising one of your subordinates, a man in his fifties who has been with the organisation for about 15 years. You have discussed most of the rating criteria, which have all been satisfactory. You say, 'Your work has been good but are there any areas where you feel there could be improvements?' He replies, 'I'm happy in the job but I don't really see much point in working a great deal harder. The mortgage is paid off now, the children have finished their education and if I earn more money I will only have to pay more tax on it. I want to take life a bit easier now and spend more time at home or away in the caravan. I don't always want to be taking work home with me.'</p> <p>What are the advantages and disadvantages of performance-related pay and how does the situation here link with what you know about theories of motivation?</p>	CO3	

<p style="text-align: center;"><b>Or</b></p> <p><b>Q. 2: (B).</b> Imagine that you are the human resource manager in a knitwear manufacturing company. You are about to negotiate with the trade union on the current round of pay talks. The sewing machinists are paid on a piecework system but there is a great deal of absenteeism, particularly on Fridays. It seems to you that many workers increase their levels of production on the other days of the week so that they can have Fridays off. The company wants to ensure regular high levels of production on every day of the week in order to meet its full order books.</p> <p>What is the underlying message that a piecework system, such as this one, intends to give to the employees? Why is this system not working as well as the organisation wants? How does the situation within this organisation link with motivation theories?</p> <p><b>Q. 3: (A).</b> ABC Corporation is a medium-sized manufacturing company that is expanding its operations. As the company grows, it becomes clear that the current pay structure is not competitive enough to attract and retain top talent. The HR department is tasked with designing a new pay structure that aligns with the company's strategic goals and objectives.</p> <p>What types of variable pay components could be included in the new pay structure, and how might they be used to incentivize and reward employees?</p> <p style="text-align: center;"><b>Or</b></p> <p><b>Q. 3: (B).</b> LMN Enterprises is a startup that is focused on attracting and retaining top talent in a competitive industry. The HR department is considering implementing a new incentive program that rewards employees for meeting sales targets. What types of incentives could LMN Enterprises consider, and how can they ensure that the program is aligned with the company's mission and values?</p> <p><b>Q. 4: (A).</b> Discuss the provisions of the Indian Code on Wages relating to the minimum wages of workers. What are the factors considered while determining the minimum wages?</p> <p style="text-align: center;"><b>Or</b></p> <p><b>Q. 4: (B).</b> As the HR manager of XYZ Ltd, you are responsible for implementing the provisions of the Code on Social Security in your organization. One of the provisions of the code requires employers to provide social security benefits to their employees, including health insurance, disability insurance, and maternity benefits. Suppose a female employee in your organization is pregnant and needs to take maternity leave. Discuss the key provisions of the maternity benefit act, including the duration of leave, the amount of pay, and the eligibility criteria for employees.</p>	CO4	
<p><b><u>SECTION - C</u></b></p> <p>Read the case and answer the questions <span style="float: right;"><b>7×02 = 14 Marks</b></span></p>		
<b>Questions</b>	<b>CO</b>	<b>Bloom's Level</b>
<p><b>Q. 5: Case Study:</b>  ABC Corporation is a growing retail company that is looking to implement a new job evaluation system based on the point method. The company has identified five compensable factors: skill, effort, responsibility, working conditions, and supervisory responsibility. The company has also established five degrees for each factor, with corresponding point values as follows:</p> <p>Compensable factor: Skill</p> <p>Degree 1: Basic - 1 point</p>	CO2	

<p>Degree 2: Intermediate - 2 points  Degree 3: Advanced - 3 points  Degree 4: Expert - 4 points  Degree 5: Master - 5 points  Compensable factor: Effort</p> <p>Degree 1: Minimal - 1 point  Degree 2: Low - 2 points  Degree 3: Moderate - 3 points  Degree 4: High - 4 points  Degree 5: Very high - 5 points  Compensable factor: Responsibility</p> <p>Degree 1: Limited - 1 point  Degree 2: Some - 2 points  Degree 3: Significant - 3 points  Degree 4: Extensive - 4 points  Degree 5: Exceptional - 5 points  Compensable factor: Working conditions</p> <p>Degree 1: Normal - 1 point  Degree 2: Some inconvenience - 2 points  Degree 3: Unpleasant or hazardous - 3 points  Degree 4: Extremely unpleasant or hazardous - 4 points  Degree 5: Life-threatening or extremely difficult - 5 points  Compensable factor: Supervisory responsibility</p> <p>Degree 1: None - 0 points  Degree 2: Minimal - 1 point  Degree 3: Moderate - 2 points  Degree 4: High - 3 points  Degree 5: Very high - 4 points  The company has also identified a set of benchmark jobs, such as store manager, cashier, and stock clerk, which will be used to establish the point values for each degree.</p> <p>Questions:  <b>Q. 5: (A).</b> As the HR manager, you have been asked to evaluate the job of a store manager, cashier, and sales associate and establish the point value for each job using point method of job evaluation?   <b>Q. 5: (B).</b> What are the advantages and disadvantages of using the point method for job evaluation? How does it compare to other methods, such as the job ranking or job classification methods?</p>		
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**Kindly fill the total marks allocated to each CO's in the table below:**

<b>COs</b>	<b>Marks Allocated</b>
CO1	5 Marks
<b>CO2</b>	<b>14 Marks</b>
CO3	7 marks
CO4	7 marks
CO5	7 marks

**(Please ensure the conformity of the CO wise marks allocation as per your TLEP.)**

**Blooms Taxonomy Levels given below for your ready reference:**

**L1= Remembering**

**L2= Understanding**

**L3= Apply**

**L4= Analyze**

**L5= Evaluate**

**L6= Create**