

**K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH,
Vidyavihar, Mumbai- 400077**

**Program: PGDM & MMS (HR) (Batch 2016-18) Trimester-IV
Subject: Compensation and Benefits
(End Term Examination)**

Maximum Marks: 50

Duration: 3 Hrs

Date: 13/09/2017

Notes:

1. There will be Seven Questions in all.
2. Answer any Five
3. Question 1 & 4 are compulsory
- 4. Graph paper will be provided**

Question 1

10 Marks

You have received data for the pay rate of various jobs in your organizations through the market survey. You also have the current data of the evaluated points for the organizational jobs (Refer to Table).

- a. Use the least square method to generate the pay policy line on a graph paper.

5 marks

Jobs	Evaluated points for organizational Jobs	Actual Pay rate
A	100	500
B	225	600
C	350	750
D	400	800
E	550	950
F	700	1000
G	800	1250
H	950	1500
I	1100	2000

- b. Use the line of sight method, two point method and the least square method to generate the pay policy line on a graph paper

3 marks

- c. Discuss the implications to the organizations if each of the method is used.

2 marks

Question 2

10 Marks

The proposed budget is 6%. Compute to adjust the budget to 6%.

	Poor	Average	Good	Excellent
4Q	0%	2%	3%	4%
3Q	0%	4%	6%	7%
2Q	4%	6%	8%	10%
1Q	5%	7%	10%	14%

Forced Distribution : 12%, 40%, 40% & 8% (Star performer)

Employee Distribution from 1st to 4th Quartile: 40%, 25%, 20% & 15%

What are the three techniques implemented in Merit Grid to budget the payroll cost?

Question 3

2x5 Marks

- a. What are the different methods of Job Evaluation? Explain briefly Hayes Method of Job Evaluation.
- b. Write a short note on Skill Based Compensation?

Question 4

10 Marks



L&T Electrical & Automation offers a wide range of products, solutions and turnkey services for electricity distribution and control, across various sectors: Industries, Utilities, Buildings, Residences, Marine and Agriculture. The management is planning to have an incentive strategy for their workers. Using the frameworks and relevant concepts, design an incentive strategy for the workers on the shop floor.

Question 5

2x5 Marks

- a. Explain Maslow's Need Hierarchy theory? Explain its essential features and predictions about performance based Pay?
- b. Last year ABC manufacturing company generated net sales of Rs.50,500,000/- The company paid Rs.4,500,000/- for materials, Rs.500,000/- for miscellaneous supplies and Rs.3,00,000 for such services as liability insurance, basic maintenance and utilities. For the same year the total employment cost was Rs.10,00,000/- (inclusive of hourly, salaried, payroll taxes and benefit cost). Operating Information for ABC Manufacturing in August 2016 was as follows: Value Added = Rs.2,500,000/- Total employment Cost = Rs.900,000/- . Which plan would you use? Is there any incentive due for the employees? If so, how much?

Question 6

2x5 Marks

- a. Explain various theories governing CEO's Compensation?
- b. What are the Benefits Administration Issues?

Question 7 (Any two)

2x5 Marks

- a. The Minimum Wages Act and Payment of Wages Act
- b. Role of Union in Wage and Salary Administration
- c. Pay Model

---- End of Paper----