



CBCS SCHEME

18MBAHR303

Third Semester MBA Degree Examination, July/August 2021 Compensation and Reward System

Time: 3 hrs.

Max. Marks:100

Note: Answer any FIVE full questions.

- 1 a. What is Compensation? (03 Marks)
b. Discuss the importance of Employee benefits. (07 Marks)
c. Discuss the significance of the Pay Model in the global scenario. (10 Marks)
- 2 a. What is Internal equity? (03 Marks)
b. What are the external factors which shape internal pay structure? (07 Marks)
c. Discuss the following methods of calculation of compensation:
i) Hasley Premium Bonus Plan
ii) Rowan Premium Bonus Plan. (10 Marks)
- 3 a. Define cafeteria compensation plan. (03 Marks)
b. Explain the different job evaluation methods. (07 Marks)
c. Describe the various pay policy alternatives. (10 Marks)
- 4 a. Define wages and salary. (03 Marks)
b. Briefly describe pay discrimination. (07 Marks)
c. Explain the various legally required benefits. (10 Marks)
- 5 a. What is DA? (03 Marks)
b. Discuss the guiding principles of effective reward systems. (07 Marks)
c. "The success of a performance based pay system can vary depending on many factors". Discuss. (10 Marks)
- 6 a. Define external competitiveness. (03 Marks)
b. Describe wage surveys stating its purpose in brief. (07 Marks)
c. Explain Priestman's plan and Scanlon plan as group incentive plans. (10 Marks)
- 7 a. What is variable pay? (03 Marks)
b. Explain Gantt's task and bonus wage plans. (07 Marks)
c. Discuss the advantages of 'Budgeting' in compensation management. (10 Marks)

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CASE STUDY

Toyota's Compensation System

Toyota's Compensation and benefits management is one of the best in the automotive industry. Toyota's merit based system aims at promoting equal contribution, improvement in experience and capability building. The company ensures that they pay employees above industry standards and believe in collective bonus thus enhancing the team concept. Toyota also uses non-monetary awards as letters of 'Thank you' from the President, and recognition on Toyota's publications. Toyota is a good example to showcase the significance of 'Employee Compensation'. It helps a company to build a good name enabling it to attract a skilled workforce.

- a. How does Toyota's compensation and benefits management system help the company attract a skilled workforce? (10 Marks)
- b. What is 'Merit based compensation system'? What are the pro's and con's associated with it? (10 Marks)

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Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and/or equations written eg, 42+8 = 50, will be treated as malpractice.