

Model Question Paper

Third Semester MBA Degree Examination

Compensation and Benefits Management

Time: 3 Hours

Max. Marks: 100

Note: 1. Answer any FOUR full questions from Q1 to Q7.

2. Question No. 8 is compulsory.

3. M: Marks, L: RBT (Revised Bloom's Taxonomy) level, C: Course outcomes.

			M	L	C
Q1	a.	Outline the significance of compensation policy for an organization.	3	L2	CO1
	b.	Summarise the key characteristics of psychological contracts.	7	L2	CO1
	c.	A startup wants to design its compensation strategy. Explain the factors a company should consider while structuring base pay, benefits, and incentives.	10	L2	CO1
Q2	a.	Summarise the wage problems in India.	3	L2	CO2
	b.	Explain the popular job pricing methods used in Indian industries.	7	L2	CO2
	c.	A retail company with multiple outlets struggles with high employee absenteeism and low motivation. Identify appropriate wage payment systems that would work best in this scenario.	10	L3	CO4
Q3	a.	Outline the benefits of an internal audit of compensation and benefits.	3	L2	CO3
	b.	Explain briefly the factors influencing the choice of Benefits package.	7	L2	CO3
	c.	Explain the procedures for grading jobs and pay rate fixation	10	L3	CO3
Q4	a.	Outline the benefits of an internal audit of compensation and benefits.	3	L2	CO1
	b.	A growing healthcare company wants to establish a fair and competitive wage and salary fixation system to attract and retain skilled professionals. As an HR manager, model a process for wage and salary fixation, considering both external and internal factors.	7	L3	CO4
	c.	A mid-sized tech firm is conducting its annual salary review to ensure fair pay, retain talent, and stay financially stable. As an HR manager, develop the five key steps to guide managers in annual salary reviews and suggest effective implementation strategies to balance employee expectations and market competitiveness.	10	L3	CO4
Q5	a.	Illustrate the concept of contingent pay with an example.	3	L2	CO1
	b.	An organization is experiencing low performance among sales employees. Develop a sales force incentive program that balances employee motivation and company profitability.	7	L3	CO5
	c.	A retail company plans to implement competency-based pay to reward employees based on skills and performance rather than tenure. Identify the challenges that might arise, and develop effective strategies to address them	10	L3	CO5
Q6	a.	Describe the essentials for the successful working of Incentive wage plans	3	L2	CO2
	b.	Explain the different types of grade and pay structures employed by organizations.	7	L2	CO2

	c.	A software development firm is considering implementing an individual incentive plan to increase employee productivity. Identify the potential benefits and challenges of this approach.	10	L3	CO4
Q7	a.	Relate competency and compensation.	3	L2	CO1
	b.	A tech startup wants to introduce profit-sharing to retain employees and encourage long-term commitment. Choose the most appropriate profit-sharing plan and outline its impact on employee motivation, retention, and overall business growth.	7	L3	CO5
	c.	A pharmaceutical company aims to introduce skill-based pay to attract top talent from competitors. Apply the most appropriate types of skill-based pay systems and design a strategy that ensures competitive hiring.	10	L3	CO5
Q8		<p style="text-align: center;">CASE STUDY (Compulsory)</p> <p>XYZ Retail Ltd., a fast-growing e-commerce company, has been experiencing high employee turnover, especially among its warehouse and customer service staff. A recent internal survey revealed that employees feel their salaries are not competitive, and there is no clear link between performance and rewards. Many employees have also expressed dissatisfaction with limited benefits and career growth opportunities.</p> <p>To address these concerns, the HR department is considering revising its compensation structure by implementing:</p> <ul style="list-style-type: none"> • Performance-based pay to reward high achievers • Flexible benefits to cater to diverse employee needs • Skill-based pay to encourage up skilling and career growth <p>Questions:</p> <p>(i) What compensation strategy should XYZ Retail Ltd. adopt to balance employee motivation and cost management?</p> <p>(ii) How can performance-based and skill-based pay improve employee retention in the company?</p> <p>(iii) What challenges might the company face when implementing a new compensation structure, and how can they overcome them?</p>			
			05	L3	CO5
			10	L3	CO5
			05	L3	CO5
