

M.B.A. (Semester—III) Examination
COMPENSATION MANAGEMENT
Paper—MBA/3303/II

Time : Three Hours]

[Maximum Marks : 70

N.B. :— (1) Solve **all** questions.

(2) Figures to the right indicate full marks.

SECTION—A

1. (a) Discuss various theories of compensation in detail with suitable examples. 14

OR

- (b) "A compensation package is the combination of benefits that an employer offers to employees". Discuss. 14

SECTION—B

2. (a) Explain the diagnosis of compensation problem by giving suitable examples. 7
(b) Blue Star Limited is a medium scale company. Company is facing a problem of dissatisfaction of employees about compensation. You are IIR Consultant to company. How will you solve the problem ? 7

OR

- (c) What is benchmarking ? Discuss the necessity of benchmark while deciding pay structure. 7
(d) Alfa Metals is a company employing 1000 employees. Workers are not happy with the management about some benefits provided to them. Union and Management had meeting in the past about benefits and by mutual understanding the benefits were decided. Diagnose the problem. 7
3. (a) Explain different tools used for designing compensation package. 7
(b) Nagpur Steel Company decides to recruit semi-skilled workers from Chandrapur Village area for their production plant. You are newly recruited HR Manager and company asked you to design compensation package for workers. How you will do it ? 7

OR

- (c) Are the techniques used in designing compensation package and improving compensation package same ? Discuss. 7
(d) Public Limited Company gave you task to design a compensation package for CEO position. What components and factors you will consider for compensation package for CEO ? 7

SECTION—C

4. (a) Discuss different compensation practices in public limited in detail. 7
(b) Explain various Fringe benefits and its importance in detail. 7

OR

- (c) “Incentives help to motivate employees more than fringe benefits”. Discuss. 7
(d) Explain the various retirement benefits. Discuss retirement necessity for employees. 7

SECTION—D

5. Vikrant Chemical is a Public Limited Company. Employees of the company are happy with work culture of company and all are performing well. The company is growing and making a good profit. As per company policy, company needs to revise the compensation package every three years because of pressure of Trade Unions. The other problem is that senior managers need to pay high taxes because of company compensation package for senior employees.

Senior Managers requested management to modify the compensation package so that they will not have to pay more taxes. Management is also thinking that something should be done, otherwise employees may leave the company. You are appointed as a consultant to avoid the frequent revision of compensation package and to relieve the managers from tax burden.

Questions :

- (a) What will you do to avoid the frequent revision of compensation package ? 6
(b) Suggest a suitable strategic compensation package for senior managers. 8