

**AS-778**

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

Time : Three Hours]

[Maximum Marks : 70

**N.B. :—** (1) Solve **ALL** questions.

(2) Figures to the right indicate full marks.

**SECTION—A**

1. (a) 'Reward management and compensation management are one and the same thing' Discuss. 14

**OR**

- (b) Discuss various economic theories related to compensation management. 14

**SECTION—B**

2. (a) Explain meaning and necessity of benchmarking. 7  
(b) Revati Pharma is a reputed company ; from last one year it is facing a problem of turnover of employees. As a HR consultant, how can you solve the problem ? 7

**OR**

- (c) What do you mean by commitment ? Explain with example. 7  
(d) Rajashri Chemicals employing 2000 employees is a company of good repute. Recently the company has revised the pay but it has been observed that inspite of revision of pay executives are leaving the company. CEO is worried. What may be the reason ? How can you help CEO to get rid of the problem ? 7
3. (a) Discuss the tools used in designing the compensation package for workers. 7  
(b) Agrawal Steels is a medium scale company. The company is on paper now and planning to start their construction work from January 2014. You are HR manger. You have to design a compensation package for senior managers. 7

**OR**

- (c) Explain the tools used in improving compensation package. 7
- (d) Goyal Group is planning to expand their existing plant. They are also planning to recruit new chief executive and desire that new chief executive should perform well and remain with the company for at least five years. You are HR consultant to Goyal Group. Design an effective compensation package as desired by Goyal Group. 7

**SECTION—C**

- 4. (a) Explain different retirement benefits with their importance. 7
- (b) Explain briefly components of compensation. 7

**OR**

- (c) 'Fringe benefits and incentives are same'. Do you agree ? Justify. 7
- (d) Why Dearness Allowance is given to Employees ? Justify your answer with appropriate examples. 7

**SECTION—D**

- 5. Shivaji Fertilisers located in Uttar Pradesh, was a private limited company. The company has made an excellent growth in last five years. As the company wants to grow further and raise their capital, the company became a public limited company. The capital is raised through shares. The strength of employees increased as the size of the company has increased. The company was not having systematic compensation management and the same continued though the company became public limited. The management started facing the problem of dissatisfaction among employees. Company has appointed you as a consultant, to get rid of the problem and to have good compensation system.
  - (a) What are the salient features of the compensation package of Public limited company ? 6
  - (b) Will strategic compensation system solve the problem ? If yes, suggest a suitable strategic compensation system for Shivaji Fertilisers. If no, give the reasons. 8