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**6 SEM TDC COMT 3 (Sp) N/O**

**2017**

( May )

**COMMERCE**

( Speciality )

Course : 603

**( Compensation Management )**

*The figures in the margin indicate full marks  
for the questions*

( New Course )

Full Marks : 80

Pass Marks : 24

Time : 3 hours

1. Answer the following as directed :

- (a) Objective of compensation is to reduce turnover and encourage company loyalty.

(Write True or False)

(b) Wage fund theory was propounded by

(i) Adam Smith

(ii) Karl Marx

(iii) A. Walker

(iv) Philip Henry

(Choose the correct answer) 1

(c) Marginal productivity theory of compensation was propounded by

\_\_\_\_\_.

(Fill in the blank) 1

(d) The recommendations of the 7th Pay Commission are likely to be implemented with effect from \_\_\_\_\_.

(Fill in the blank) 1

(e) Profit sharing is an element of indirect compensation.

(Write True or False) 1

(f) \_\_\_\_\_ appraisal is one of the elements of performance management.

(Fill in the blank) 1

(g) Mention two characteristics of an effective incentive plan. 2

2. Write short notes on any four of the following : 4×4=16

(a) A Sound Wage Plan

(b) Economic Theory of Compensation

(c) Compensation Designing

(d) Functions of Wage Boards

(e) Tournament Theory

(f) Objectives of Compensation Management

3. (a) What do you mean by compensation management? How does compensation management help an organisation to achieve its objectives? 7+7=14

Or

(b) Explain the principles and importance of compensation management. 8+6=14

4. (a) Explain the behavioural theories of compensation. 14

Or

(b) Describe the compensation differentials at individual level. 14

5. (a) What is compensation level planning?  
Discuss the factors influencing  
compensation level planning. 4+10=14

Or

(b) Write a note on the components of  
compensation. 14

6. (a) What do you mean by performance  
appraisal? Discuss briefly about the  
process of performance appraisal. 4+10=14

Or

(b) What do you mean by incentives?  
Discuss the various types of incentives.  
4+10=14

( Old Course )

Full Marks : 80

Pass Marks : 32

Time : 3 hours

1. Answer the following as directed :

(a) Name one element of indirect  
compensation. 1

(b) Employee's acceptance of compensation  
level is one of the economic theories of  
compensation.

(Write True or False) 1

(c) Payment of Gratuity Act was enforced with effect from \_\_\_\_\_.  
(Fill in the blank) 1

(d) Loans and advances are example of \_\_\_\_\_.  
(Fill in the blank) 1

(e) Performance appraisal can also be used for transfer and promotions of employees.  
(Write True or False) 1

(f) Gratuity will be payable to an employee  
(i) on his superannuation  
(ii) on his resignation  
(iii) on his death or permanent disablement  
(iv) Any of the above cases  
(Choose the correct answer) 1

(g) Mention two objectives of International Compensation. 2

2. Write short notes on any *four* of the following :  $4 \times 4 = 16$

(a) Incentive Wage Plans

(b) Compensation Management

- (c) Behavioural Theories of Compensation
- (d) Wage Boards and Pay Commission
- (e) Legal Environment of Compensation
- (f) Problems of Executive Compensation

3. (a) Define the term 'compensation'.  
Distinguish between monetary and  
non-monetary compensation. 3+9=12

*Or*

(b) Explain the principles and importance  
of compensation management. 6+6=12

4. (a) Discuss the economic theories related to  
compensation. 11

*Or*

(b) What are the limitations of behavioural  
theories? Discuss. 11

5. (a) What is compensation level planning?  
Discuss the factors influencing  
compensation level planning. 3+8=11

*Or*

(b) Discuss the process of designing  
compensation system. 11

6. (a) Define performance appraisal. Discuss briefly about the process of performance appraisal. 3+8=11

*Or*

(b) What do you mean by incentives? Explain the characteristics of an effective incentive plan. 3+8=11

7. (a) What do you mean by International Compensation Management? Discuss briefly about the components of International Compensation. 3+8=11

*Or*

(b) Discuss the challenges in compensation management. 11

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