



BRAINWARE UNIVERSITY

Term End Examination 2018 - 19

Programme – Bachelor of Business Administration

Course Name –Management of Compensation Administration

Course Code – BBA604H

(Semester – 6)

Time allotted: 3 Hours

Full Marks : 70

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group –A

(Multiple Choice Type Question)

10 x 1 = 10

1. *Choose the correct alternative from the following*
 - (i) The lowest wage that employers can legally pay to workers according to legislation is known as:

a. Minimum wage	b. Fair wage
c. Living wage	d. None of these
 - (ii) Difference in wages between people with similar skills within differing localities or industries as well as between employees with dissimilar skills within the same industry – is known as:

a. Equity of wage	b. Wage differential
c. Wage discrimination	d. None of these
 - (iii) An allowance designed for executives only to facilitate their frequent interactions with executives of other companies in prestigious city clubs:

a. Fuel allowance	b. Club allowance
c. Chauffeur allowance	d. None of these
 - (iv) An allowance provided to compensate higher cost of living in a metropolitan or large cities:

a. Dearness allowance	b. City compensatory allowance
c. Child education allowance	d. None of these
 - (v) Dearness allowance is a percentage of:

a. Basic pay	b. Cost to company
c. Net pay after statutory deductions	d. None of these
 - (vi) Employee contribution to Employees’ Provident Fund is a percentage of:

a. Basic pay	b. Dearness allowance
c. Both (a) and (b)	d. None of these

- (vii) Employee incentive is:
- | | |
|---|--|
| a. Performance-linked component of remuneration | b. Statutory component of remuneration |
| c. Both (a) and (b) | d. Neither (a) nor (b) |
- (viii) Strategic component of remuneration for executives:
- | | |
|---------------------|---------------------------|
| a. Basic pay | b. Employee Stock Options |
| c. Both (a) and (b) | d. Neither (a) nor (b) |
- (ix) Strategic merging of dearness allowance with basic pay is known as:
- | | |
|----------------|-------------------|
| a. Merger | b. Neutralization |
| c. Commutation | d. None of these |
- (x) Employee contribution to Employees' State Insurance Corporation fund is:
- | | |
|----------|------------------|
| a. 1.75% | b. 12% |
| c. 4.75% | d. None of these |

Group – B

(Short Answer Type Questions)

3 x 5 = 15

Answer any *three* from the following

- | | |
|---|---|
| 2. What do you understand by wage? Explain. | 5 |
| 3. Illustrate the role of statutory benefits in employee welfare. | 5 |
| 4. Correlate consumer price index with dearness allowance. | 5 |
| 5. Correlate pay banding with pay grades of employees. | 5 |
| 6. Explain how Govt. of India regulates the payment of gratuity. | 5 |

Group – C

(Long Answer Type Questions)

3 x 15 = 45

Answer any *three* from the following

- | | |
|--|----|
| 7. (a) Describe the process of pension commutation. | 5 |
| (b) Interpret the process of calculating incentive by Halsey and Rowan plans? | 10 |
| 8. (a) State the relationship between tenure of service and entitlement of gratuity. | 5 |
| (b) If an organisation is providing dearness allowance at the rate of 90% per month. What will be the amount of dearness allowance for that month if his basic pay is Rs.15000/-. Justify your answer. | 10 |

9. (a) What do you understand by fuel allowance? 5
(b) Analyse the strategic role of job evaluation in formulating employee remuneration. 10
10. (a) Briefly interpret agency theory of compensation management. 2
(b) Analyse how strategic compensation management provides competitive advantage to one company. 10
(c) Evaluate the role of Indian state governments in regulating the minimum wage for industrial workers. 3
11. (a) Illustrate the importance of dearness relief (DR) for pensioners. 5
(b) Assess the Govt. of India's role in providing inflation-adjusted benefits to its employees. 10
