



Name :
Roll No. :
Invigilator's Signature :

CS/MBA(N)/SEM-3 FT & 5 PT/HR-301/2011-12

2011

EMPLOYMENT & COMPENSATION ADMINISTRATION

Time Allotted : 3 Hours

Full Marks : 70

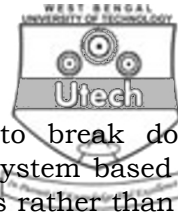
The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* of the following :
10 × 1 = 10
 - i) A written statement of the main duties and responsibilities which a particular job entails is called
 - a) job analysis
 - b) job specification
 - c) job description
 - d) job evaluation.
 - ii) Management is bound for labour welfare
 - a) within the factory only
 - b) outside the factory only
 - c) both (a) and (b)
 - d) none of these.
 - iii) The maximum labour oriented industry in India is
 - a) Cement industry
 - b) Iron and steel industry
 - c) Jute industry
 - d) Cotton industry.
 - iv) Piece worker come under class.
 - a) semi skilled
 - b) skilled
 - c) manager
 - d) leader.



- v) A firm uses information technology to break down functional barriers and create a work system based on business processes, products or outputs rather than on functions or inputs in
- a) restructuring
 - b) benchmarking
 - c) reengineering
 - d) enchmarking.
- vi) using financial compensation as a strategic tool is often prevented by control of pay systems.
- a) Line managers, staff
 - b) Supervisors, employees'
 - c) Staff, line managers'
 - d) Employees, top-management's.
- vii) More than per cent of American companies have profit-sharing plans.
- a) 80
 - b) 30
 - c) 95
 - d) 60
 - e) 50.
- viii) Which of the following is not a form of incentive compensation ?
- a) Hourly wage
 - b) Profit sharing
 - c) Gain sharing
 - d) All of these are forms of incentive.
- ix) An organisation provides employees benefits in the form of conveyance facilities, housing facilities and education facilities for children. What kind of benefits is the organisation providing to the employees ?
- a) Incentives
 - b) Bonus
 - c) Fringe benefits
 - d) Security benefits.
- x) The special type of stock option plan that protects the holder against any depreciation is known as
- a) Restricted stock plan
 - b) Phantom stock plan
 - c) Stock option scheme
 - d) Stock purchase plan.
- xi) Equal Remuneration Act, 1976 came into effect with the object to provide equal remuneration to
- a) men
 - b) women
 - c) both (a) and (b)
 - d) none of them.



- xii) Which amongst the following is not an example of fringe benefit ?
- Medical benefits
 - Overtime allowance
 - House rent allowance
 - Educational allowances.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following $3 \times 5 = 15$

- Discuss the types of bonuses common in executive compensation.
- Distinguish between Minimum, Fair and Living wage.
- What are the components of retirement benefits ?
- Explain the concept of single linkage and double linkage system of Dearness Allowance, using hypothetical data.
- Design a draft pay slip of a Marketing Executive working in a FMCG company with all the pay components, statutory deductions and containing other relevant information.

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

- What do you mean by incentives ? Classify various incentive schemes used by various organisations.
 - A company pays a worker for a given job as per the following data :

Basic Hourly Rate	Rs. 6
Increase in the rate	25%
Standard hourly output level for the job	800 units

If on a particular working day of 8 hr work, a worker had produced 7000 units of work, then calculate the day's earnings for the concerned worker. $(2 + 8) + 5$

- Write short notes on any *three* of the following : 3×5
 - Scanlon Plan
 - Performance Based Pay
 - Gratuity
 - ESOP
 - Fringe benefits.



9. **Case study**

Even before its recent merger with BP, Amoco was already a major MNC with operations in dozens of countries. One of the most challenging issues that Amoco's HR executives have long had to confront has been juggling the legal, cultural and social factors dictating and reinforcing the needs for different benefit programs in their organisation. For example, in the US, Amoco offers insurance, vacation and sick leaves, alternate work schedules, children centres, employees assistance programs and referral services. In Egypt, however, Amoco offers some other different benefits. Among these, the more prominent is one-time Haj pilgrimage allowance and two annual subsidized trips to Egyptian resorts. In Netherlands, the emphasis is on flexibility. In Norway, fathers of newborns get five days of paid leave. Amoco employees in Norway get perhaps the most unusual benefit of all. Because the country has an especially high marginal tax rate. Employees are often looking for benefits that their company can provide tax-free.

Questions for Discussion

- a) Comment on the employee benefit scheme offered by MNCs like Amoco.
 - b) What factors are taken into consideration for designing a compensation package for employees working in MNCs like Amoco ? 5 + 10
10. What are the two main methods of calculation of dearness allowance in large industry ? A Management Trainee joined a company on 1st January, 2006 in the scale Rs. 15,000-1,000-20,000 with a starting dearness pay of 40% and 50% neutralization thereafter, adjustable half yearly. She had been given another option of taking dearness allowance at Rs. 75 per point of 2001 CPI above 120 points, adjustable quarterly. [The 2001 CPI was 120, 140, 160 and 175 respectively on each January of 2006, 2007, 2008 and 2009]. Would she regret her decision in January, 2009 ? 6 + 9
11. What do you mean by Human Resource Outsourcing ? Discuss in detail the various steps followed in HR outsourcing process. 5 + 10

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