

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER - 3 - EXAMINATION – SUMMER 2021**

**Subject Code: 3539233****Date: 23/08/2021****Subject Name: Compensation Management****Time: 02:30 PM TO 05:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1 Explain the following Terms in Brief: 14**
- (a) Provident Fund (PF)
  - (b) Dearness Allowances (DA)
  - (c) Cost to Company (CTC)
  - (d) Fixed Pay
  - (e) ESIC
  - (f) Base Pay
  - (g) Gratuity
- Q.2 (a) Explain Reward Management and How to Achieve the Aim of Reward Management 07**
- (b) Explain International Reward with the help of Convergence and Divergence levels of reward policies and practices. 07**
- OR**
- (b) Explain Payment of Wages Act, 1936 07**
- Q.3 (a) Explain the factors that influence Employee Engagement which help them get improved rewards. 07**
- (b) Explain Types of Non-Financial Rewards you would like to suggest to any organization 07**
- OR**
- Q.3 (a) Explain Employees' State Insurance Act, 1948 07**
- (b) If you were HR Manager, Mention Types of Bonus Schemes offered by your organizations 07**
- Q.4 (a) Explain Strategies for rewarding Manual and Knowledge Workers 07**
- (b) Suggest how to reward your Sales and Customer Service Staff for your Two-Wheeler Agency Showroom 07**
- OR**
- Q.4 (a) Explain Various Job Evaluation Schemes 07**
- (b) Suggest best of Employee Benefits Scheme for your IT-ITES organization. 07**

OM automobiles ltd. primary is in the field of manufacture of two wheelers. They manufacture and market mopeds. These are available in the brand names 'arrow' and 'double arrow' where 'arrow' is their traditional product and 'double arrow' is the improved version. The company was started about 20 yrs. ago. Their product 'arrow' enjoys a reasonably good reputation and they were comfortable in the market. However, with the entry of the new generation of fuel-efficient mopeds the company started losing its market. They immediately started developing the improved 'double arrow' but by the time they came out with this new model the competitors had already strengthened their position in the market.

The 'arrow' model was still acceptable by a segment of the market as it was the cheapest vehicle. 'Double arrow' is a new generation vehicle. It was costlier than Jet but its performance was much superior. It is compared favorably with the competitors' products; however, it was yet to gain a foothold in the market. The company had to refurbish the marketing activities in order to get back their market share. They employed young sales engineers to launch a strong sales drive. Mr. Sanjay Mishra, B. Tech and a diploma holder in marketing got selected and was put on the job.

Mr. Sanjay Mishra started well in his new job. He was given a territory to contact the prospective customers and to book the orders. The company had introduced a new financial assistance scheme. Under this scheme, buyers were given easy loans. It was particularly advantageous for group booking by employees working in an organization. Mr. Sanjay Mishra was able to contact people in different organizations, arrange for group bookings and facilitate the loans. His performance was good in the first year and in the second year of his service. The company had its own system of rewarding those whose performance happened to be good. They usually arranged a paid holiday trip for the good performer along with his wife. Mr. Sanjay Mishra was accordingly informed by the marketing manager to go to Chennai with his wife on company expenses. Mr. Sanjay Mishra asked him as to how much it would cost to the company. The marketing manager calculated and told him that it would cost about 8000/-. He quickly asked him whether he could get that 8000/- in cash instead of the trip as he had better plans. The marketing manager countered this saying that it might not be possible to do so. It was not the trading of the company; however, he would check with the personnel manager.

After a couple of days, Mr. Sanjay Mishra was informed that it would not be possible to give him a cash reward. Mr. Sanjay Mishra grudgingly went for the trip and returned. On his return, he was heard complaining to one of his colleagues his little daughter was also along with him. The marketing manager and the personnel manager thought he was a bit too fussy about the money and some of his colleagues also thought so. During the subsequent days Mr. Sanjay Mishra performance was not all that satisfactory which showed his lukewarm attitude towards his job and the subordinates.

**Questions:**

**07**

- (a) Where did the things go wrong? Was Mr. Sanjay Mishra too much money minded?
- (b) Was the company too bureaucratic? Did the personnel manager handle the issue properly? What is your recommendation to avoid such situations in future?

**OR**

- Q.5**
- (a) Explain Maternity Benefits Act, 1982 **07**
  - (b) Explain the importance of Corporate Governance in framing Executive Remuneration. **07**

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