

Enrollment No./Seat No.:

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA - SEMESTER - III EXAMINATION - WINTER 2025**

**Subject Code: MB03092061**

**Date: 18-12-2025**

**Subject Name: Compensation Management**

**Time: 10:30 AM TO 01:30 PM**

**Total Marks: 70**

**Instructions**

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

	<b>Marks</b>
<b>Q.1</b> ALL 7 Questions must be Compulsory.	<b>14</b>
(a) Define Base Pay	
(b) Explain Incentive Pay	
(c) Define Job Description	
(d) Explain Competency Analysis	
(e) Pay Grades Vs Pay Ranges	
(f) Miscellaneous Benefits	
(g) What is Market Pricing	
<b>Q.2 (a)</b> Define Compensation & Rewards and Explain their Importance in Organisational Success.	<b>07</b>
(b) A company wants to revise its compensation structure to support a new performance culture. Suggest steps based on the four stages of the total compensation strategy.	<b>07</b>
<b>OR</b>	
(b) Describe the three building blocks of the Pay Model – Compensation objectives, Policies, and Techniques.	<b>07</b>
<b>Q.3 (a)</b> Define Internal Alignment & Discuss the Objectives and Key Elements of Internal Alignment in Pay Structures.	<b>07</b>
(b) A company plans to revise its internal pay structure due to employee dissatisfaction. Explain how job analysis and job evaluation can help redesign a fair pay system.	<b>07</b>
<b>OR</b>	
(a) Define Job Evaluation & Explain the major methods of Job Evaluation with Examples.	<b>07</b>
(b) Differentiate between Skill-based and Competency-based pay structures with examples.	<b>07</b>

- Q.4 (a)** Explain how labour market, Product market, and Organizational factors influence pay decisions. **07**
- (b)** A company finds that its salaries are below market average and employees are leaving. Suggest steps for conducting a market survey and revising the pay structure. **07**

**OR**

- (a)** What are long-term Incentive plans? Explain their objectives along with examples **07**
- (b)** A company wants to introduce a Pay-for-Performance system. Suggest the steps to design an effective plan. **07**

**Q.5 Case Study: BrightWave Technologies Pvt. Ltd.**

Background: BrightWave Technologies Pvt. Ltd., a growing IT and software services company, has been expanding rapidly and hiring employees across multiple levels, including supervisors, executives, and technical staff.

The HR team realized that employee benefits are inconsistent, with some employees receiving better perks than others. Additionally, the company wants to attract and retain top talent while complying with legal requirements and offering a comprehensive benefits package.

The management has asked HR to revamp the employee benefits program to improve satisfaction, retention, and competitiveness.

- (a)** Define Employee Benefits and explain the importance and value of employee benefits in organizational success. **07**
- (b)** Explain the key components of a benefit plan and the process of administering employee benefits. **07**

**OR**

- (a)** Discuss the key issues in benefit planning, design, and administration for a growing company like BrightWave. **07**
- (b)** Explain the different benefit options available for employees and special groups, with examples. **07**

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