

III Sem. M.B.A. (Day) / V Sem. M.B.A. (Evening) Degree Examination, January 2008

(Updated Scheme)

**BUSINESS ADMINISTRATION**

**H-2 : Compensation Management**

Time : 3 Hours

Max. Marks : 75

*Instruction : Answer all Sections.*

SECTION – A

**Note :** Answer **any six** questions. **Each** sub-question carries **two** marks. (2×6=12)

1. a) What do you mean by 'individual performance' ?
- b) Define 'Essay Method of Performance Appraisal'.
- c) What is the main purpose of 'Group Discussion' ?
- d) State the meaning of 'wages' under MW Act, 1948.
- e) What is the basic principle in Lawler's model ?
- f) Give the meaning of 'Job Evaluation'.
- g) What do you mean by a Sound Compensation Plan ?
- h) Define skill-based pay.
- i) State the meaning of 'halo effect'.

SECTION – B

Answer **any four** of the following questions. **Each** question carries **five** marks. (4×5=20)

2. Write a note on developmental purposes of Performance Appraisal System used in service enterprises.
3. "360-Degree Feedback is yet to be successful in manufacturing industry in India". Comment briefly.

P.T.O.

4. Write briefly on the contents of a compensation plan adopted by a leading software Indian enterprise.
5. Bring out the impact of Herzberg two factor theory of motivation on individual performance.
6. Discuss the functional uses of performance appraisal.
7. What factors are taken into account while wages of workmen are fixed ? Be brief.

#### SECTION – C

Answer **any three** questions. **Each** question carries **ten** marks. (3×10=30)

8. Examine the suitability and reliability of BARS and MBO as methods of performance appraisal.
9. Explain in detail the subsistence and Wage Fund Theories as bases for fixing wages and salaries for workmen.
10. Outline the major provisions laid down in Payment of Wages Act.
11. Bring out the impact of fringe benefits on executive performance and organisational effectiveness.
12. Write an explanatory note on the critical issues involved in designing a sound compensation plan for CEO's.

#### SECTION – D

**(Compulsory)**

13. Analyze the following case and answer the question given at the end. (1×13=13)

#### JACOB ARNOLD

Jacob Arnold is an engineer in a large design engineering office. Jacob comes from a rural background and his family had a low income and stern rules. In order to earn his college degree, he had to work and he paid most of his own expenses.

Jacob is an intelligent and capable worker. His main fault is that he does not want to take risks. He hesitates to make decisions for himself, often bringing petty and routine problems to his supervisor or to other engineers for a decision. Whenever he does a design job, he brings it in rough draft to his supervisor for approval before he finalizes it.

Since Jacob is a capable person, his supervisor wants to motivate him to be more independent in his work. The supervisor believes that this approach will improve Jacob's performance, relieve the supervisor from extra routine and give Jacob more self-confidence. However, the supervisor is not sure how to go about motivating Jacob to improve his performance.

**Question :**

In the role of supervisor, explain how you would motivate Jacob, using at least three different motivational models. Be as specific as possible.

---