



**III Semester M.B.A. (Day) Examination, January 2009  
(2007-08 Scheme)**

**BUSINESS ADMINISTRATION**

**H3 : Performance and Compensation Management**

Time : 3 Hours

Max. Marks : 75

**SECTION – A**

Answer **any six** of the following . **Each** question carries **two** marks. **(6×2=12)**

1. a) What is COLA ?
- b) What is the meaning of Compensation Management ?
- c) Define incentives.
- d) What is meant by Fringe Benefits ?
- e) What is Kaizer Plan ?
- f) Define Performance Management.
- g) What is BARS ?
- h) What is debt method ?

**SECTION – B**

Answer **any three** of the following. **Each** question carries **eight** marks. **(3×8=24)**

2. State the advantage and disadvantage of Incentives.
3. Discuss the various methods of Performance Appraisal.
4. State the components of sound wage plan.
5. Discuss the modern trend in Executive compensation.
6. How are wages determined ?

P.T.O.



## SECTION - C

Answer **any two** of the following. Each question carries **twelve** marks.

(2×12=24)

7. Discuss 360 degree appraisal with its relative merits and demerits.
8. Write a note on the followings :
  - a) Minimum Wage.
  - b) Living Wage.
  - c) Fair Wage.
9. List down the types of Fringe benefits and discuss the advantages and disadvantages of fringe benefits.

## SECTION - D

10. This case study is **compulsory**. It carries **fifteen** marks.

(1×15=15)

A well established company, manufacturing metal containers and packaging, had diversified its operations in early 1980s investing a large amount in a bearing factory. In the late 80s the company was suffering from a high cost structure, mounting losses, shortage of liquid funds and large scale exodus of technicians and managers. Management's proposal for reduction in workforce, wage cuts and freezing of DA was not acceptable to the labor unions with the result that three of its packaging units had to be opened immediately for revival of business which depended upon cost reduction through reduction in the excess work force. Attempt by a large company to take over the sick unit was not permitted under statutes.

- 1) What apparently went wrong ?
  - 2) What would be your advice to the company ?
  - 3) As a HR manager how would you handle the situation ?
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