



QP CODE: 25804912



25804912

Reg No :

Name :

MBA DEGREE SUPPLEMENTARY EXAMINATION, NOVEMBER 2025

Third Semester

Master of Business Administration

ELECTIVE - MB820304 - COMPENSATION MANAGEMENT

2019 Admission Onwards

08C15E73

Time: 3 Hours

Maximum Marks: 60

Part A

*Answer any **five** questions. Each question carries **2** marks.*

1. Differentiate between minimum wage and living wage?
2. Mention the important wage theories.
3. How does job evaluation contribute to fair compensation?
4. List three benefits of performance-linked executive compensation in corporate governance.
5. What do you mean by VRS?
6. Identify the key benefits of statutory wage provisions for employees.
7. What is "flexible compensation," and why is it gaining popularity?

(5×2 = 10 Marks)

Part B

*Answer any **five** questions. Each question carries **6** marks.*

8. " Compensation is one of the most powerful motivators of behaviour. Explain.
9. Explain non-quantitative methods of job evaluation. What are the weaknesses of these methods?
10. Critically examine why companies need Broad Banded pay structures.
11. Explain individual incentive plans.
12. Explain the objectives, benefits, and challenges of non-financial incentives in modern organizations.
13. Outline the objectives and scope of the Minimum Wages Act.
14. Discuss pay restructuring in case of mergers and acquisitions.





(5×6 = 30 Marks)

Part C

Answer any two questions. Each question carries 10 marks.

Question number 17 is compulsory .

15. What is Voluntary Retirement Scheme? Explain why employees opt for VRS. Discuss the importance steps in VRS.
16. What do you mean by wage determination? Explain the process of Wage determination.

Compulsory Question

17. Narmada Ltd is a Gujarat based oil refinery, having a capacity to produce nearly one third of country petroleum, oil and lubricant requirement. The biggest challenge for the company is to design a low -cost innovative employee benefits scheme. The company is operating in a highly competitive market after liberalization and employees needs to be on toes at selling points. The current compensation strategy is designed in view of market rate. With the joining of new Director Mr. Apte, the challenge faced is to devise the best compensation and benefit plan so that poaching of best employee by competitors can be prevented. He announced effective voluntary benefit discount schemes by building a mutual network with retail malls, travel agents, hotels, airlines, household appliances manufacture. Certain pension schemes were announced prima-facie of two types-defined benefit and defined contribution and employee were asked to choose between the two. He also announced certain loyalty programs and profit-sharing schemes among the employee. He also proposed periodic evaluation of the reward system. With continuous innovation and evaluation he was able to reduce the annual HR cost by 2 percent.

Questions:

- (a) Discuss in short, the process for evaluation of reward system
- (b) Differentiate between the two types of pension scheme that is defined benefit and defined contribution discussed in the case.

(2×10 = 20 Marks)

