

Centre for Distance and Online Education
MMS Programme: Semester – III (2022-2024)
Human Resources Specialization

Subject: Compensation and Benefits

75 Marks

Q.P. Code: 00005443

Instructions

1. Q1 (20 marks) and Q8 (15 marks) is compulsory
 2. Attempt Any Four (40 marks) out of Q2, Q3, Q4, Q5, Q6 and Q7
 3. Students have to attempt any four out of the remaining six questions and within each question; students have to attempt any two out of three sub – questions. Each sub – question would carry 05 Marks
 4. Figures to the right indicate full marks
 5. Draw neat diagrams wherever necessary
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Q1. Is compulsory (20 marks)

Scenario: You are the HR director of ABC Inc., a leading tech company. The company plans to introduce a comprehensive benefits package that includes stock options, health insurance, and performance-based incentives. The goal is to attract top talent and retain current employees in a highly competitive market. You need to create a strategy to communicate and implement these benefits effectively.

Questions:

1. Discuss the strategic importance of offering a comprehensive benefits package in attracting and retaining top talent at ABC Inc.
2. Explain how stock options can be used as a tool for employee retention and motivation. Provide a sample stock option plan for ABC Inc.
3. Analyze the role of health insurance in employee compensation. How can ABC Inc. structure its health insurance plans to maximize employee satisfaction?
4. Propose a strategy for implementing performance-based incentives at ABC Inc. What factors should be considered to ensure fairness and effectiveness?

Q2 Any two from (a) or (b) or (c) (10 Marks)

- a. Explain the importance of Human Resources Philosophy in shaping an organization's culture.
- b. What are the key elements of a compensation structure? Provide examples.
- c. Discuss the significance of reward management in employee motivation.

Q3 Any two from (a) or (b) or (c) (10 Marks)

- a. Define variable pay and its types with examples.
- b. Explain the concept of Cost to Company (CTC) and how it is calculated.
- c. Describe the impact of inflation on compensation strategies and how companies can mitigate this impact.

Q4 Any two from (a) or (b) or (c) (10 Marks)

- a. Discuss the various acts related to employee compensation and their implications.
- b. What is the role of income tax in compensation management?
- c. Explain the importance of conducting a remuneration survey.

Q5 Any two from (a) or (b) or (c) (10 Marks)

- a. Describe the process of creating a CTC package for a new employee.
- b. Discuss the different components of stock options and their benefits to employees.
- c. What are the key considerations in designing a reward strategy?

Q6 Any two from (a) or (b) or (c) (10 Marks)

- a. Explain the concept of provident fund and its importance in employee benefits.
- b. Discuss the role of gratuity in the compensation structure.
- c. What are the benefits of offering performance-based incentives to employees?

Q7 Any two from (a) or (b) or (c) (10 Marks)

- a. Describe the steps involved in preparing a salary offer for a candidate.
- b. Explain the concept of bonus and its calculation under the Payment of Bonus Act.
- c. Discuss the importance of understanding various compensation laws for HR professionals.

Q.8 Short Notes:

Write short notes on any three of the following (15 marks):

- a. Compensation Structure
- b. Stock Options
- c. Performance-Based Incentives
- d. Remuneration Survey

Note:

A Student has to separately secure minimum 50% marks in the Internal assessments and secure minimum 50% marks in the Semester End Examination in every subject to be declared as Pass.