

[Time: 03.00 Hrs]

[ Marks:75 ]

Please check whether you have got the right question paper.

N.B:

1. Q.1 is compulsory and carries 20 Marks.
2. Q. 8 is compulsory and carries 15 Marks.
3. Attempt any four questions from Q.2, Q.3, Q.4, Q.5, Q6 and Q7.  
Each of these questions carry 10 Marks.
4. Figures to the right indicate full marks.

**Q.1 (A) Read the case study carefully and answer the following questions: (20)**

**Case Study:**

Scenario: Bright Tech Solutions is a rapidly growing IT startup focused on building cutting-edge software products for global markets. As a young organization, it faces challenges in attracting and retaining top talent while maintaining cost efficiency. The startup's leadership has decided to develop a comprehensive compensation framework that incorporates fixed pay, performance bonuses, equity compensation, and tax-efficient salary structures. Additionally, Bright Tech wants to create a transparent CTC template that clearly communicates the salary breakdown to employees. They aim to benchmark their compensation packages against competitors to remain attractive in the job market while building loyalty and trust within the organization.

**Questions:**

- (a) What are the benefits of including performance bonuses in the compensation plan for Bright Tech Solutions?
- (b) How can a clear CTC structure simplify employee understanding of pay?
- (c) Why is it important to align compensation strategies with industry trends?
- (d) Discuss the role of tax-saving components in retaining employees.

**Q.2 Attempt any Two of the following: (10)**

- a) What are the key differences between fixed pay and benefits? Provide examples.
- b) How does a structured salary template aid in recruitment?
- c) Discuss the role of salary surveys in compensation planning.

**Q.3 Attempt any Two of the following: (10)**

- a) Why is the Bonus Act significant in rewarding employees?
- b) How does inflation affect the cost of employee compensation?
- c) Explain the process of determining a new hire's CTC.

**Q.4 Attempt any Two of the following: (10)**

- a) What is the role of equity compensation in retaining senior-level employees?
- b) Why is transparency in compensation policies important for employee morale?
- c) How can benefits such as insurance improve employee satisfaction?

**Q.5 Attempt any Two of the following: (10)**

- a) What are the advantages of offering retirement benefits like Provident Fund?
- b) How can total rewards strategies drive organizational performance?
- c) Why should organizations regularly benchmark salaries?

**Q.6 Attempt any Two of the following: (10)**

- a) Discuss the importance of creating tax-friendly compensation structures.
- b) What challenges can arise when managing compensation for startups?
- c) Explain the concept of internal and external equity in compensation planning.

**Q.7 Write Short note on any Two of the following: (10)**

- a) Why is internal equity critical in ensuring employee satisfaction?
- b) How can variable pay encourage better team performance?
- c) Discuss the role of HR in designing compensation structures aligned with business objectives.

**Q.8 Attempt any Three of the following: (15)**

- a) Importance of designing tax-efficient salary packages.
- b) Key benefits of equity-based compensation.
- c) Role of inflation in compensation planning.
- d) Best practices in using salary surveys to set pay ranges.