

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2025-27)
END TERM EXAMINATION (TERM -III)

Subject Name: **COMPENSATION, BENEFITS AND REWARDS MANAGEMENT** Time: **02.00 hrs**
Sub. Code: **PGH32** Max Marks: **40**

Note: All questions are compulsory. Section A carries 12 marks: 6 questions of 2 marks each, Section B carries 18 marks having 3 questions (with internal choice question in each) of 6 marks each and Section C carries 10 marks one Case Study having 2 questions of 5 marks each.

CO-1 Explain the fundamental concepts, objectives, dimensions, and components of compensation, along with wage theories and strategic perspectives.
CO-2 Analyze the factors influencing compensation and their implications on wage concepts and theories in organizational contexts.
CO-3 Describe the process and evaluate the implications of job evaluation and Identify the internal and external environmental factors that have an impact on the pay structure of an organization.
CO-4 Understand the different types of incentives and performance linked pay offered by the organizations and analyze, integrate, and apply this knowledge to solve compensation related problems in organizations.
CO-5 Evaluate the concepts of employee benefits issues and executive remuneration to help the organization achieve a competitive advantage.
CO-6 Evaluate the concepts of employee benefits issues and executive remuneration to help the organization achieve a competitive advantage.

<u>SECTION - A</u>		
Attempt all questions. All questions are compulsory.		2×6 = 12 Marks
Questions	CO	Bloom's Level
Q. 1: (A). How does salary differ from wages.	CO1	L1
Q. 1: (B). What is net take-home salary? How is net salary calculated from gross salary?		
Q. 1: (C). Describe the components of employee compensation		
Q. 1: (D). How is Provident Fund calculated and what is the contribution rate for employers and employees in India?	CO5	L2
Q. 1: (E). Leave is a very popular benefit given to employees. What are the different kinds of leaves which are given. What is the statutory requirement in terms of leave to employees?		
Q. 1: (F). An employee has worked with your organization for 8 years and 7 months, and their last drawn basic salary was Rs. 25,000. What will be their gratuity payment amount?		
<u>SECTION – B</u>		
All questions are compulsory (Each question has an internal choice. Attempt anyone (either A or B) from the internal choice)		6 x 3 = 18 Marks
Questions	CO	Bloom's Level
Q. 2: (A). As the HR manager of a manufacturing company, you have been asked to design a new compensation plan that aligns with the company's goals of attracting, retaining, and motivating employees. In this context, you decide to adopt the 3P concept of compensation. Explain the 3P concept of compensation and its relevance to your organization. How can you use this concept to design a compensation plan that meets the needs of both the company and its employees?	CO2	L3

Or Q. 2: (B). What are the main wage theories, and how do they explain the relationship between wages, motivation, and productivity? Provide examples of how each theory has been applied in practice. Q. 3: (A). Consider your college. What are the compensable factors required for your college to evaluate jobs? How would you go about identifying these factors? Or Q. 3: (B). Explain how internal and external environmental factors can impact an organization's pay structure. Provide examples of each and discuss the potential implications for the organization's ability to attract, motivate, and retain top talent. In your opinion, which factors do you believe are most important for an organization to consider when designing its pay structure and why? Q. 4: (A). Compare and contrast the Minimum Wages Act, 1948, Payment of Wages Act, 1936, Equal Remuneration Act, 1976, and the Payment of Bonus Act, 1965. Discuss the objectives of each Act and the key differences in their provisions. How do these Acts collectively contribute to the protection of workers' rights and ensure fair compensation? Or Q. 4: (B). As the HR manager of XYZ Ltd, you are responsible for implementing the provisions of the Code on Social Security in your organization. Suppose a female employee in your organization is pregnant and needs to take maternity leave. Discuss the key provisions of the maternity benefit act, including the duration of leave, the amount of pay, and the eligibility criteria for employees.	CO3	L3
<u>SECTION - C</u> Read the case and answer the questions	5×02 = 10 Marks	
Questions	CO	Bloom's Level
Q. 5: Case Study: Variable Pay Dilemma at NexGen Services Ltd. NexGen Services Ltd., a growing BPO firm, introduced a variable pay system to improve productivity, align performance with organizational goals, and reduce fixed costs. Under the new structure, 65% of compensation was fixed and 35% variable, linked to individual performance, team outcomes, organizational profitability, and spot rewards. After one year, productivity improved and high performers earned higher payouts. However, several issues emerged. Employees began focusing only on measurable targets, leading to a decline in service quality and customer satisfaction. Increased performance pressure resulted in stress and burnout. Concerns over fairness and transparency in evaluations surfaced, while teamwork weakened as employees prioritized individual incentives. Additionally, new employees struggled with income variability, and instances of biased performance ratings were reported. The management is now evaluating whether the variable pay system is effectively meeting its objectives or creating unintended challenges. Questions: 1. Critically examine the challenges associated with the pay-for-performance system in this case. How do these challenges impact employee behavior and organizational outcomes?	CO4	L5

2. Assess the effectiveness of different types of incentive plans used (individual, team, organizational, spot incentives). Which are most and least effective in this context? Justify your answer.		
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Kindly fill the total marks allocated to each CO's in the table below:

COs	Question No.	Marks Allocated
CO1	A,B,C	6
CO5	D,E,F	6
CO2	Q2	6
CO3	Q3	6
CO6	Q4	6
CO4	Q5	10

Blooms Taxonomy Levels given below for your ready reference:

L1= Remembering

L2= Understanding

L3= Apply

L4= Analyze

L5= Evaluate

L6= Create