

**BACHELOR OF BUSINESS ADMINISTRATION
FIFTH SEMESTER
COMPENSATION BENEFITS
BBA – 504B**

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. Compensation is given to the employee for their
 - a. Performance
 - b. Work
 - c. Contribution to organisation.
 - d. Smartness
2. Which of the following is not the fixed and indirect component in compensation packages?
 - a. DA
 - b. HRA
 - c. MA
 - d. All of the above
3. Which of the following factor influence(s) employee compensation?
 - a. Labour Market
 - b. Labour Unions
 - c. Cost of Living
 - d. All of the above
4. Which of the following benefit is not considered as a statutory benefit of the compensation system?
 - a. HRA
 - b. Provident Fund
 - c. Gratuity
 - d. All of the above
5. ESOP stands for _____.
 - a. Employers' stock Ownership Plan
 - b. Employee Stall Ownership Plan
 - c. Employee Stock Ownership Plan
 - d. None of the above
6. Which of the following does not come under 'Retirement Benefit'?
 - a. Provident Fund
 - b. Gratuity
 - c. Pension
 - d. House Rent Allowance
7. Incentives are paid based on _____.
 - a. Performance
 - b. Productivity of the organisation
 - c. Profit of the organisation
 - d. All of the above
8. What is the minimum percentage of wage payable as bonus?
 - a. 8.33%
 - b. 8%
 - c. 20%
 - d. 25%
9. "Base pay" is considered as _____.
 - a. Direct compensation
 - b. Indirect compensation
 - c. Statutory compensation
 - d. Non statutory compensation

10. Which of the following is a perquisite?
 a. Club membership
 b. Provident Fund
 c. Medical allowance
 d. Group Insurance
11. Which of the following is paid only at the time of employees exit after serving more than five years?
 a. Perquisites
 b. Claims
 c. Gratuity
 d. Allowances
12. Which type of wage is usually adjusted for the prevailing rate of inflation?
 a. Fair wage
 b. Living wage
 c. Minimum wage
 d. Real wage
13. Which of the following factor influence(s) employee compensation?
 a. Labour Market
 b. Labour Unions
 c. Cost of Living
 d. All of the above
14. The plan which gives the right to sell or buy the stock of the organisation at fixed price for specific period of time is classified as ____
 a. ESOP
 b. Ownership option
 c. Stock option
 d. Trading options
15. The component of Executive compensation does not include ____.
 a. Annual Bonuses
 b. Supplemental benefits
 c. Executive salaries
 d. None of the above
16. Which of the following is not a method of individual incentive payment system?
 a. Rowan Plan
 b. Bedeaux Plan
 c. Hasley Plan
 d. Gant's task planning
17. The system which is followed in organisations to distribute some portion from profits to all employees in organisation is classified as ____.
 a. Gain sharing
 b. Profit sharing
 c. Broad banding
 d. Draw sharing
18. Which exit technique is known as Golden Handshake?
 a. VRS
 b. Lay-off
 c. Retirement
 d. Resignation
19. 'A fair day work for fair day pay' denotes a sense of _____ felt by employees.
 a. Responsibility
 b. Equity
 c. Happiness
 d. Respect
20. A behaviour which has rewarding experience is likely to be repeated' is postulated by _____.
 a. Reinforcement and expectancy theory
 b. Equity theory
 c. Agency theory
 d. None of the above

(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

1. Discuss the various components of Executive compensation and their impact on the organization and executive. 10
2. What do you mean by Compensation? Discuss the various components of Compensation that are generally found in Indian organizations. 2+8=10
3. Briefly discuss the relationship between Employee Compensation and employees' productivity. How does Inflation impact employees' salaries? 5+5=10
4. Explain Fringe benefits and their significance on employees. Discuss briefly the various retirement benefits that organizations follow. 5+5=10
5. What do you mean by Incentive? Discuss the various methods of Incentive payment. 1+9=10
6. Discuss the various theories of Executive compensation. 10
7. If one person's basic salary is 57000/. If he/she is eligible for DA @ 13%, HRA @ 11%, MA @ 9.5%, other allowances @ 13%. In addition, the statutory benefits like PF @ 12%. So, calculate the salary. 10
8. Write short notes on: 5+5=10
 - a) Significance of compensation on employees.
 - b) ESOP

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