Subject	Wages and Salary Administration		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	09.01.2020

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.
Q1) 20 Marks (Compulsory)

ABC LTD. is a distributor of Hindustan Unilever Limited, handling Thane district, which geographically includes Thane city and the areas of Bhiwandi, Kalwa, Diva, right till Kalyan and Dombivili. It has two offices and three warehouses in the geographical area assigned to it.

It employs 46 persons, as follows:
- Thirty persons in sales.
- There are four persons in accounts department, and the accounts department is headed by a senior officer. This department also handles HR, Legal Compliances and Administration
- There are 10 persons in the three warehouses (one of these is the head of inventory control)
- The owner of the distributorship also functions as the CEO / MANAGING DIRECTOR
- Security and housekeeping have been outsourced to an external contractor

The business objectives of the company are as follows:
1. To become a world-class distributor brand.
2. To take up distributorships of other non-competing FMCG companies
3. To be profitable enough in order that funds are available for expansion.
4. In the long-term, to list on the stock market, as a profitable distributor company

Of late, the management of the company has noticed the following problems:
1. There is stagnation in sales revenues
2. Operational costs are increasing
3. There is high turnover of employees

The company ABC LTD wants to revamp its salary structure in order to achieve the business objectives. The company has appointed you as consultant to revamp the salary structure.

Please enumerate the basic principles you will use to arrive at the salary structure of the company.

Attempt Any FOUR from the Remaining SIX Questions
Q2) *Any two from (a) or (b) or (c) ——————— (5x2) = 10 Marks*
a) Explain the concept of CTC?
b) Explain the concept of ESOPS?
c) Explain the concept of Employee Provident Fund Scheme?

Q3) *Any two from (a) or (b) or (c) ——————— (5x2) = 10 Marks*
a) Explain the concept of Fixed pay and variable pay?
b) Explain the various rewards that may be given to sales personnel?
c) What is the difference between salary and wages?

Q4) *Any two from (a) or (b) or (c) ——————— (5x2) = 10 Marks*
a) Explain the concept of Fringe Benefits?

b) Explain the salient features of the Minimum Wages Act, 1948
c) What are the economic theories of compensation?

Q5) *Any two from (a) or (b) or (c) ——————— (5x2) = 10 Marks*
a) Explain the various theories of wages
b) What are the merits and demerits of Individual and Group Incentive Plans?
c) Explain the rules concerning Professional Tax?

Q6) *Any two from (a) or (b) or (c) ——————— (5x2) = 10 Marks*
a) What are the factors influencing compensation?
b) Explain the tax implications of ESOPS?
c) What are the advantages and disadvantages of incentive pay?

Q7) *Any two from (a) or (b) or (c) ——————— (5x2) = 10 Marks*
a) What are the salient features of Payment of Bonus Act, 1965?
b) What are the factors which affect fixing of compensation?
c) Explain the theories on Executive Compensation?