

<p style="text-align: center;">VPM's DR VN BRIMS, Thane Programme: MMS (2021-23) Third Semester Regular Examination February 2023</p>						
Course Name: Compensation & Benefits		Course Code		MMS – H-305		
Roll No.		Marks		60		
Total No. of Questions		6		Duration		
Total No. of printed pages		4		Date		
				09.02.2023		
Course Outcome Statements:						
CO1: Defining the philosophy of human resources and its relevance in Compensation & Benefits						
CO2: Summarize the Compensation, Benefits and total Reward practices in organizations in India and other countries						
CO3: Experimenting business context for reward strategies						
CO4: Integrating compensation structure, salary offer, CTC structure, variable pay statutory benefits (PF, ESIC, Gratuity, Superannuation, Bonus), with Labour Laws and with latest amendments to the Acts						
CO5: Evaluate impact of Inflation, Consumer Price Index, Compensation Survey, Variable Pay benchmarking and Income Tax						
CO6: Creating a Compensation & Benefits structure for different categories of employees addressing the need of an organization.						
Instructions: -				Mark s	BL	CO
Q. No 1 (All Questions are Compulsory)						
Q. No.		Questions				
Q. 1		Case/Case-let Study (500-800 words)				
	a.	<p>Refer to the following inputs and analyze each element of CTC to be offered to Mumbai based candidate selected for Sr Manager-Operations position</p> <ul style="list-style-type: none"> - CTC 19 LPA - Fixed to variable pay % is 85 to 15% - Basic salary 35% of Fixed component - LTA – Rs 50000 - Annual bonus- Rs. 40000 - All monthly allowances (HRA, Conveyance, Education) as per the IT Act - Medclaim premium – Rs 28500 <p>Questions</p> <p>A. Calculate PF contribution per month</p> <p>B. Calculate Gratuity contribution</p> <p>C. Calculate per month gross salary with each component mentioned separately</p> <p>E. Prepare a Final CTC of 19 LPA in a structured format.</p>		6	Level 4	CO4
	b.	<p>Read the case study carefully and answer the questions</p> <p>Mountain States University is medium-sized public University with 21000 students and 1200 faculty members. The College of Business Administration is the largest one on campus, with 8000 students and 180 faculty members. For the past few years, the Dean has had to deal with a large number of dissatisfied faculty who complain that they are underpaid relative to newly hired faculty. Many of the complainants are senior tenured professors who refuse to engage in committee activities beyond the minimum service requirements and who are seldom in their offices because they feel aggrieved. They teach six hours a week, spend two hours in the office, and then disappear from</p>		6	Level 5	CO5

campus. Recently, the head of the college's faculty council compiled some statistics and sent these to the Dean, demanding "prompt action to create more equity in the faculty pay structure." The average salary statistics are shown in the following table :

	2015			2019	
Rank	New Hirers	Current		New Hirers	Current
Professors	68000	56000		79000	62000
Associate Professors	62000	51000		73000	61000
Assistant Professors	52000	48000		61000	59000
	2021			NOW	
Rank	New Hirers	Current		New Hirers	Current
Professors	99935	76217		120000	85000
Associate Professors	92345	70797		98000	77000
Assistant Professors	80644	69443		88000	71000

The Dean replied that he has little choice but to make offers to new faculty that are competitive with the market and that the university will not give him enough funds to maintain equitable pay differences between new and current faculty or between higher and lower ranks.

A group of six faculty members has come to see the Dean to express dissatisfaction with pay compression at the college. All six represent current faculty; two are assistant professors, two are associate professors, and two are full professors to deal with pay complaints raised by the faculty. The Dean doesn't have the money to correct the pay-compression problem, yet he can't afford to alienate the faculty.

One faculty, a department chair who has just hired a full professor from another institution at a much higher salary than a full professor who has spent 20 years at the University. Another faculty with the 20-year veteran who met the department chair for explanations. Overall, both professors have approximately the same number of publications in journals of similar quality and their teaching ratings are comparable, but over the past two years the professor who has hired from the outside has published a couple of pieces in a top journal whereas the 20-year veteran has not.

B. QUESTIONS : Analyze the Case Study and answer the following questions -

1. Based on the data collected by the faculty council, conclude with compensation problems that exist at Mountain States University.
2. Is the Dean's explanation for decreased pay differences by rank and / or seniority justifiable?

		3. How would you recommend the Dean deal with senior faculty who feel underpaid?			
Q. 2		Answer Any one from the following.			
	a.	Job analysis has been considered the cornerstone of human resource management. How does it support managers making pay decisions?	6	Level 5	CO5
	b.	If you were managing employee compensation, how would you recommend that your company evaluate the usefulness of its job evaluation or person-based plans? How would you decide whether to use job-based or person-based structures?	6	Level 5	CO5
Q. 3		Answer Any one from the following.			
	a.	"The basic aim of an incentive should be to encourage good performance by linking performance and rewards, and this in turn requires valid, accurate performance appraisals." Analyze the statement supported by examples.	6	Level 4	CO4
	b.	"Employees or groups who perform better or contribute more should receive greater compensation" Examine the statement in the context of "Pay for Performance".	6	Level 4	CO4
Q. 4		Answer Any two from the following.			
	a.	You are attending job interview for the position of Manager-HR – Compensation & Benefits and are at the point of negotiating salary and benefits, what questions would you ask your prospective employer concerning benefits? Develop the benefits package you would try to negotiate for yourself.	6	Level 3	CO3
	b.	Identify the factors that influence internal pay structures. Based on your understanding, which ones do you select are the most important? Why?	6	Level 3	CO3
	c.	How does job evaluation make use of internal alignment policies into practice?	6	Level 3	CO3
Q. 5		Answer Any two from the following.			
	a.	According to you, how many types of employees are there? Explain with example.	6	Level 2	CO2
	b.	Explain why non-monetary awards are more attractive than monetary rewards? Give examples.	6	Level 2	CO2
	c.	You are the manager of 10 people in a large organization. All of them become very suspicious and upset when they receive an email from the HR department saying their jobs are going to be evaluated. How do you try to reassure them?	6	Level 2	CO2
Q. 6		Answer Any two from the following.			
	a.	It is said "Philosophy of an organization is derived from the founder's assumptions and beliefs". In light of the above statement relate the role of HR Philosophy in Reward Management.	6	Level 1	CO1
	b.	Why do many managers say that job analysis is waste of their time and the time of their employees? Are they right?	6	Level 1	CO1
	c.	What are the factors that influence internal pay structures. Based on your own experience, which ones do you think are the most important? Why?	6	Level 1	CO1