

BALLARI INSTITUTE OF TECHNOLOGY & MANAGEMENT

(Autonomous Institute under Visvesvaraya Technological University, Belagavi)

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Course Code

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Fourth Semester MBA Degree Examinations, August 2026

COMPENSATION AND REWARD MANAGEMENT

Duration: 3 hrs

Max. Marks: 100

Note: 1. Answer any FOUR full questions from Question No. 1 to 7.

2. Question No. 8 is compulsory

3. Missing data, if any, may be suitably assumed

<u>Q. No</u>	<u>Question</u>	<u>Marks</u>	<u>(RBTL:CO:PO)</u>
1	a. What is total compensation?	03	(3:1:2)
	b. Explain compensation philosophy and its significance.	07	(4:1:2)
	c. Discuss various theories of wages and evaluate their relevance in modern organizations.	10	(5:1:2)
2.	a. State any four essentials of a good wage system.	03	(3:2:2)
	b. Explain different systems of wage fixation in India.	07	(4:2:2)
	c. Discuss divergent systems and institutions for wage fixation in India.	10	(5:2:2)
3.	a. Classify grading of jobs.	03	(3:3:3)
	b. Explain wage determination practices in Indian organizations.	07	(4:3:3)
	c. Discuss reward management practices with suitable organizational examples.	10	(5:3:3)
4.	a. Interpret team-based reward.	03	(3:4:2)
	b. Differentiate between gain sharing and profit sharing.	07	(4:4:2)
	c. Discuss competency based pay and analyze its effectiveness of in organizations.	10	(5:4:2)
5	a. Illustrate any two methods of paying salary.	03	(3:5:2)
	b. Explain the concept of salary administration and salary review guidelines.	07	(4:5:2)
	c. Discuss how organizations should respond to negative salary reviews.	10	(5:5:2)
6.	a. Interpret the intrinsic rewards.	03	(3:5:2)
	b. Discuss the role of non-financial rewards in employee motivation.	07	(4:5:2)
	c. Justify about financial and non-financial rewards and explain their role in improving employee performance.	10	(5:5:2)
7.	a. Classify any three wage problems in India.	03	(3:2:2)
	b. Analyse whether compensation motivates employee behaviour.	07	(4:3:3)

Note: (RBTL - Revised Bloom's Taxonomy Level: CO - Course Outcome: PO – Programme Outcome)

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| c. | Discuss different methods of wage payment with their advantages and disadvantages | 10 | (5:3:3) |
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8.

Case Study

ABC Manufacturing Pvt. Ltd., a medium-sized automobile components manufacturer, employs over 500 workers. The company has experienced a decline in employee morale and an increase in turnover during the past year. Employees have raised concerns that workers performing similar jobs receive different salaries, overtime payments are inconsistent, and annual increments are not linked to performance. The HR Manager found that the company had not revised its compensation policy for more than five years. Salary decisions were made mainly based on negotiations during hiring rather than job value or market standards. There was no formal salary survey, and incentive payments varied across departments. To address these issues, the management decided to redesign the compensation system by conducting job evaluations, benchmarking salaries against industry standards, introducing performance-based incentives, and improving employee benefits such as medical insurance, transportation allowance, and training opportunities. After implementing the new compensation strategy, employee satisfaction improved, absenteeism decreased, and productivity increased by 15% within one year.

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| a. | Identify the compensation-related problems faced by ABC Manufacturing Pvt. Ltd. | 10 | (5:2:2) |
| b. | Suggest an appropriate compensation strategy for the company. | 10 | (5:2:2) |

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