**BBA VI**

**SPECIALIZATION - HRM**

**MODEL TEST PAPER OF COMPENSATION AND REWARDS**

1. **MCQ**

**1-Compensation can be \_\_\_\_\_ benefits.**

1. Monetary
2. Non-monetary
3. both ‘a’ and ‘b’
4. None of the above

(Ans: c)

**2-Wages represents \_\_\_\_\_ rates of pay.**

1. Hourly
2. Daily
3. Weekly
4. Monthly

(Ans: a)

**3-\_\_\_\_\_\_\_ are also called ‘payments by results’.**

1. allowances
2. claims
3. incentives
4. fringe benefits

(Ans: c)

**4-Incentives depends upon**

1. productivity
2. sales
3. profits
4. All of the above

(Ans: d)

**5-The following is paid only at the time of employees exit after serving more than five years**

1. Perquisites
2. Claims
3. Gratuity
4. Allowances

(Ans: c)

**6-The following is a perquisites.**

1. Club membership
2. Provident fund
3. Medical allowance
4. Group insurance

(Ans: a)

**7-‘A behaviour which has rewarding experience is likely to be repeated’ is postulated by**

1. Reinforcement and expectancy theory
2. Equity theory
3. Agency theory
4. None of the above

(Ans: a)

**8-‘A fair day work for fair day pay’ denotes a sense of \_\_\_\_\_\_\_ felt by employees.**

1. Responsibility
2. Equity
3. Happiness
4. Respect

(Ans: b)

**9-The remuneration system needs to meet the following type(s) of equity**

1. Internal
2. External
3. Individual
4. All of the above

(Ans: d)

**10-Which of the following factor influence(s) employee compensation?**

1. Labour market
2. Cost of living
3. Labour unions
4. All of the above

(Ans: d)

**11-Match the following**

|  |  |
| --- | --- |
| **Business strategy** | **Compensation strategy** |
| A. Invest to grow | 1. Stress on cost control |
| B. Manage earnings – protect markets | 2. Stimulate entrepreneurialism |
| C. Harvest earnings – reinvest elsewhere | 3. Reward management skills |

The correct answer is

1. A-1, B-2, C-3
2. A-2, B-1, C-3
3. A-2, B-3, C-1
4. A-3, B-1, C-2

(Ans: c)

**12-Any compensation plan must be**

1. Understandable, workable, acceptable
2. Reasonable, workable, acceptable
3. Understandable, feasible, acceptable
4. Understandable, workable, compensable

(Ans: a)

**13-The following is not a part of remuneration model**

1. Job description
2. Job evaluation
3. Job hierarchy
4. Job analysis

(Ans: d)

**14-Elitist remuneration systems are prevalent among**

1. Well established firms
2. Companies with mature products
3. Companies with limited competition
4. All of the above

(Ans: d)

**15-In organized industrial establishments pay review takes place once in \_\_\_\_ years.**

1. Three
2. Seven
3. Ten
4. Fifteen

(Ans: a)

**16-Equal remuneration Act 1976, prohibits discrimination in matters relating to remuneration on the basis of**

1. Religion
2. Region
3. Sex
4. All of the above

(Ans: d)

**17-The following is not a concept of wage**

1. Daily wages
2. Minimum wages
3. Fair wages
4. Living wages

(Ans: a)

**18-\_\_\_\_\_\_\_ can be fixed by comparison with an accepted standard wage**

1. Minimum wages
2. Fair wages
3. Living wages
4. All of the above

(Ans: b)

**19-A \_\_\_\_\_\_ must be fixed considering the general economic conditions of the country.**

1. Minimum wages
2. Fair wages
3. Living wages
4. All of the above

(Ans: c)

**20-In India, \_\_\_\_\_ wage is determined mainly for sweated industries**

1. Minimum
2. Fair
3. Living
4. Standard

(Ans: a)

21 Compensation is a systematic approach to providing monetary value to employees in exchange for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

a. Skills              b. Knowledge                   c. work performed                                 d. damages held

**(Ans. c)**

22. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ refers to monetary benefits offered and provided to employees in return of the services they provide to the organization.

a. Direct Compensation                                                 b. Indirect Compensation

c. Performance compensation                                     d. None of the above

**(Ans: a)**

23 Which of the below is not a part of indirect compensation

a. Insurance                          b. paid leave                          c. Medical Assistance                           d. Conveyance

**(Ans: d)**

24 PF/Gratuity is a part of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ compensation

a. Indirect                    b. Direct                          c. Paid                                       d. Lateral

**(Ans: b)**

25. Compensation Management is \_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_total compensation package with a systematic approach to providing value to employees in exchange for work performance

a. designing and implementing                                    b. Planning & Implementing

c. Designing & Paying                                                    d. None of the above

**(Ans: a)**

26. Who is Responsible for compensation decision making?

 a) HR Unit & Manager b) Worker c) laymen d) BOD

Ans HR Unit & Manager

27. The basic objective of compensation management is meeting the need of both

 a) employee & organization b) employee & labor c) labor & labor union d) employee & manager

 Ans employee & organization

28. Which theory explain the employee & employer Relationship

 a) Agency theory b) Piece Rate theory c) Gantt – task theory d) Maslow’s hierarchy meed theory

 Ans Agency theory

29. Job evaluation is a process?

a) One – time process b) Yearly process (at end) c) Continous d) Randam

Ans Continous process

30. Payment of Wages Act, ?

 a) 1936 b) 1948 c) 1976 d) 1965

 Ans 1936

1. Short Answer type Questions
2. What is incentive? Give example
3. What are non monetary compensations? Name 5 of it.
4. What is minimum wage?
5. What is fair wage?
6. What is living wage**?**
7. Explain Reinforcement Theory**.**
8. Explain Agency Theory.
9. Explain Expectancy Theory.
10. Explain Equity Theory.
11. What are principles of wage & salary administration?
12. What are long term incentives?
13. What are perquisites?
14. What is commission?
15. What are special features of executive remuneration?
16. Mention few components of compensation.
17. What is financial compensation?
18. What are the challenges of remuneration?
19. Briefly explain international compensation?
20. What is salary?
21. What is performance based payment?
22. Long Answer type Questions
23. Explain components of compensation in details.
24. Explain Reinforcement theory, agency theory and equity theory.
25. Explain minimum, fair and living wages.
26. Explain wage policy in India in details.
27. What are wages and salaries?
28. What are fringe benefits and perquisites? Give few examples.
29. What are current trend in salary administration?
30. What are non monetary benefits? Explain in details with few examples.
31. Explain in details international compensation?
32. What is the difference between salary and wages? Explain with suitable example