

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM / PGDM (MARKETING) / PGDM (SERVICE MANAGEMENT)
V TRIMESTER (Batch 2017-19)
END TERM EXAMINATION, DECEMBER 2018

Course Name	COMPENSATION MANAGEMENT	Course Code	HR503
Max. Time	2 Hours	Max. Marks	40

INSTRUCTIONS:

- a. All the questions are compulsory for which marks are indicated against questions.
- b. Do not write anything on question paper except roll number.
- c. Be precise and legible in writing your answers.

1. Summarise the concept of total compensation framework and briefly explain how wage theories such as; Subsistence & Marginal Productivity Theories serve as a precursor to our contemporary CTC heads. Give relevant examples. **(08 Marks)**

2. In an unfortunate mishap in a factory, two employees got severely injured and later on one succumbed to death while the other employee lost four fingers of his left hand during surgery. Apply the relevant Compensation Act and calculate, both employees' compensation (death & disablement) using the below information: **(08 Marks)**
 - a. Age of the deceased employee was 20 years and gross salary was Rs.9000/- p.m.
 - b. Age of the injured employee was 25 years and gross salary was Rs.8000/- p.m.
 - c. The loss of earning capacity due to disablement was ascertained as 50%.
 - d. Relevant Factors details are as under

Completed Age in yrs.	16	17	18	19	20	21	22	23	24	25
Relevant Factors	228	227	226	225	224	223	222	221	220	219

3. Outline the importance of an internally and externally aligned compensation.
From the available salary data points, calculate Compa Ratio and suggest the advantage and disadvantage of the calculated COMPA Ratio to HR Head of your organization. Suggest actions to maintain and retain the employee who is a Prime Time Reporter in a News Channel for the last 3 years? **(08 Marks)**

Market's Min. & Max. Salaries for similar positions are Rs. 40,000 and Rs. 45,000
PR Manager's current salary is Rs. 42000

4. Following data of AICPI is furnished by Labour Bureau, Department of Statistics, Govt of India in December 2018,

Month	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18
CPI	288	287	287	288	289	291	301	301	301	302	303	304

- a. Considering the CPI value (Base Year 2001=100), calculate the revised Dearness Allowance (DA) effective from 01st January 2019. The last percentage increase in DA was announced at 148% in Sep. 2018 effective from July, 2018. **(04 Marks)**
- b. Using the below given information, calculate bonus available for distribution with the company using Scanlon Plan under PFP: **(04 Marks)**
- Sales Value of Production (SVOP) = Rs. 10,000,000
 - Total wage bill is Rs. 4,000,000 as per the base year 2017
 - For the operating month of March, 2018, SVOP = Rs. 9,50,000
 - Actual wage bill = Rs. 3,30,000.
5. List out the various steps involved in a typical Indian Payroll process and create a dummy CTC sheet for a Factory Worker applying necessary "Indian Statutory Requirements" with his gross salary pegged at Rs. 4 Lac per annum. **(08 Marks)**
