MBSC-3.3C

Sl. No.

III Semester M.B.A. Degree Examination, October/November - 2025

MANAGEMENT

Elective - C : Human Resource Management

Performance Appraisal and Compensation Management

(CBCS SLM Scheme)

Time : 3 Hours **Maximum Marks : 80**

SECTION - A

Answer any Five questions. Each question carries Five marks. (5×5=25)

1. Discuss the key components of compensation.

2. Explain the objectives of executive compensation.

3. Write a note on the Minimum Wages Act.

4. What are emerging trends in performance appraisal?

5. Explain equity theory of motivation in brief.

6. Define wage legislation and its importance.

7. Explain the qualities of a good wage payment system.

SECTION - B

Answer any Four questions. Each question carries Ten marks. (4×10=40)

8. Explain the types of employee benefits with their advantages and disadvantages.

9. Discuss the purpose of compensation laws and regulations with reference to the Bonus Act.

10. Compare traditional and modern methods of performance appraisal with examples.

11. Explain Herzberg's two-factor theory and its implications in wage and benefit design.

12. Describe the objectives, procedure, and advantages of job evaluation.

13. Explain the various types of wage payment systems with their merits and limitations.

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SECTION - C

14. Case (Compulsory). **(1×15=15)**

ABC Services Pvt. Ltd., a medium-sized company in the service sector, recently conducted a wage survey to compare its salary levels with those of competitors. The survey revealed that the company's pay structure was considerably lower than the industry average. For several years, management had avoided salary revisions to reduce costs, assuming that employees would remain loyal because of job security and other non-monetary benefits.

Soon, however, the company started facing serious challenges. Skilled employees began leaving for better-paying organizations, resulting in high attrition. Departments such as IT support, customer service, and operations were heavily affected. The employees who stayed back became demotivated and complained that their efforts were undervalued. Productivity levels dropped, and customer complaints began to rise as services were delayed.

The management was now caught in a dilemma. Revising the wage structure to match industry standards would increase overall costs and reduce short-term profitability. However, failure to act could lead to further employee turnover, damage to the company's reputation, and long-term sustainability issues.

Questions:

a) What problem is the company facing?

b) How can job evaluation and wage survey data help in solving the issue?

c) Suggest a suitable wage structure policy to balance employee satisfaction and cost control.
