This question paper contains 4 printed pages]

Roll No. | | | | | | | | | | | |

S. No. of Question Paper : **6185**

Unique Paper Code : **2923060038**

Name of the Paper : **Compensation Management**

Name of the Course : **Bachelor of Management Studies (NEP)**

Semester : **VI**

Duration : **3 Hours** Maximum Marks : **90**

(Write your Roll No. on the top immediately on receipt of this question paper.)

Use of simple calculators is allowed.

Attempt any *five* questions.

All questions carry equal marks.

1. Solve any *two* of the following : 2×9=18

(*a*) An executive receives stock options at a discounted rate of ₹ 800 per share, while the market price is ₹ 1,200. They purchase 1,000 shares. The stock options vest over 4 years with equal distribution annually. Calculate the total savings due to the discounted price and determine the value of shares vested each year.

P.T.O.

(*b*) A company shares profits based on employee tenure. If the total profits are ₹ 20,00,000, calculate the payout for each group and determine the total amount distributed.

Employee Experience (in years)	**Profit % Received**	**No. of Employees in each tier**
0 – 5	5	15
6 – 10	10	10
11+	15	5

(*c*) A company has the following details :

- Labor Costs : Rs. 12,00,000
- Sales Value : Rs. 40,00,000

The company achieves a 10% labor cost reduction, with 50% of the savings shared with employees. Based on the Scanlon plan, calculate the total savings and determine the payout shared with employees.

2. A multinational company wants to evaluate its job roles based on external market rates. The HR team collects data on the average pay for similar roles in the industry and company's internal pay structure :

Position	**Average pay in the Industry**	**Company's internal pay structure**
Software Engineer	₹ 12,00,000 per annum	₹ 11,50,000 per annum
Project Manager	₹ 18,00,000 per annum	₹ 17,00,000 per annum
HR Manager	₹ 15,00,000 per annum	₹ 14,50,000 per annum
Business Analyst	₹ 14,00,000 per annum	₹ 13,50,000 per annum

(a) Identify which roles are underpaid and which are overpaid based on the market pricing technique. 9

(b) Discuss how market pricing helps companies remain competitive in talent acquisition. 9

3. (a) Compare and contrast different job evaluation methods with suitable examples. 9

(b) Discuss various methods that state can opt for regulation of wages ? 9

4. (a) Explain how organizations are leveraging on modern compensation practices to attract and retain talent. Illustrate your answer with relevant examples from the Indian corporate sector. 9

(b) Explain the key legal frameworks governing wages and employee benefits in India. Additionally, analyze how these laws impact wage determination, employee rights and employer obligations. 9

5. (a) Discuss the key components of the pay model framework. Analyze how organizations use different pay models to align compensation with organizational goals. 9

(b) Discuss the key components of executive pay packages. Analyze the impact of executive compensation on organizational performance, shareholder value and employee morale. 9

6. Write short notes on any *two* of the following : 2×9=18

(*a*) Tax planning

(*b*) Expatriate Pay

(*c*) Funding Benefits through VEBA.