



Subjt Code: R16MBA3101-12

**MBA - III Semester Regular and Supplementary Examinations, November-2018,  
COMPENSATION AND REWARD MANAGEMENT**

**Time: 3 hours**

**Max Marks: 60**

Question Paper Consists of **Part-A** and **Part-B**.

Answering the question in **Part-A** is Compulsory & Four Questions should be answered from Part-B

All questions carry equal marks of 12.

**PART-A (CASE STUDY)**

**1 X 12 = 12**

1. The case discusses the compensation management practices at Tata Consultancy Services Ltd. (TCS), one of the leading Indian IT companies. TCS' compensation management system was based on the EVA model. With the implementation of onomic Value Added (EVA)-based compensation, the salary of employees comprised of two parts , fixed and variable. The variable part of the salary was arrived after considering business unit EVA, corporate EVA, and also individual performance EVA. During the fourth quarter of the financial year (FY) 2007-2008, TCS announced its plans to slash 1.5 percent of the variable component of employee salaries since its EVA targets for the third quarter of FY 2007-2008 were not met The announcement came as s jolt not only to TCS employees but also to the entire Indian IT industry. The company came in for severe criticism and it was accused of not being transparent with respt to EVA calculation. However, some analysts felt that the pay cuts were a result of the macroeconomic challenges that the Indian IT companies were facing -- rapid appriation of the rupee against the US dollar and the ression in the US onomy (USA was the largest market for the Indian IT companies)
1. Discuss the importance of variable compensation in light of its ability to motivate employees and enhance organizational productivity.
  2. Understand the rationale behind the cut in the compensation of the employees at TCS.
  3. Appriate the importance of HR goals and strategies in the success of an organization

**PART-B**

**4X 12 = 48**

2. (a) Define compensation and explain its types  
(b) What are the Key determinants of Compensation Plan?
3. Explain in detail about strategic persptives of strategic compensation planning?
4. (a) Give brief note about strategic reasons for incentive plan?  
(b) write a note on stock options?
5. (a) what are the types of employee benefits?  
(b) Discuss about employee benefits required by law?
6. Elucidate methods of wage determination in INDIA?
7. (a) write a note on any two industries compensation practices?  
(b) Discuss functions of wage boards?

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