

**MANAGEMENT PROGRAMME**

**Term-End Examination**

**February, 2021**

**MS-027 (Pre-Revised) : WAGE AND SALARY  
ADMINISTRATION**

**MS-027 (Revised) : COMPENSATION AND REWARDS  
MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*

*(Weightage : 70%)*

**Note :**

- (i) *There are **two** sections — Section A is for the students who have registered for this course prior to July, 2017. Section B is for the students who have registered for this course from July, 2017 onwards.*
- (ii) *Answer any **five** questions.*
- (iii) *Each question carries 20 marks.*

**SECTION A**

**(Pre-Revised)**

- 1.** Explain the framework of compensation policy at macro and micro levels. Describe the issues and current trends in compensation.
- 2.** Explain the provisions relating to protection of wages from arbitrary deductions under the Payment of Wages Act, 1936. Discuss how claims are made under the Payment of Wages Act.

3. Discuss various pre-requisites and considerations in wage surveys. Explain different methods for conducting wage surveys.
4. Explain various implications of tax planning in compensation to employees. Discuss what type of allowances qualify for tax relief.
5. Discuss whether and why stock options are becoming popular. What are their advantages and disadvantages ?
6. Explain the different types of incentive systems. Describe the various features of the incentive schemes followed in the Indian industries.
7. Explain the significance of downsizing employee strength. Describe the Voluntary Retirement Schemes (VRS) in an organisation.
8. Describe the various methods for fixation of minimum wages under the Minimum Wages Act, 1948. Discuss who may file an application in respect to non-payment of minimum rates of wages under the Act.

## **SECTION B**

### **(Revised)**

- 1.** Explain the difference between a pay commission and a wage board. Describe the relative merits and demerits of different methods of wage determination.
- 2.** Discuss the concept of internal and external equity. Describe the methods and systems of job evaluation.
- 3.** Describe the different methods for conducting wage surveys. Discuss the recommendations of wage boards.
- 4.** Explain the concept of tax planning. Discuss how salary is defined under the current Income Tax Act. Describe what type of allowances qualify for tax relief.
- 5.** Explain what is performance-linked reward system. Describe the various ways in which performance can be linked to reward system.
- 6.** Define incentive. Explain the different types of incentive systems. Briefly describe the various individual and group incentive plans and their respective merits and demerits.

7. Discuss the concept of bonus, profit sharing and stock options. Describe how stock options are currently treated for tax purpose and how they should be treated.
  
  8. Discuss various approaches in designing compensation. Describe the merits and demerits of compensation systems based on competency performance. Cite examples.
-