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**Gandhi Institute of Engineering and Technology University, Odisha, Gunupur
(GIET UNIVERSITY)**



M.B.A. (Third Semester) Regular Examinations, November - 2025
23MBAHR23011 - Compensation & Benefits Management
(MBA-HR)

Time: 3 hrs

Maximum: 60 Marks

(The figures in the right hand margin indicate marks.)

PART – A**(2 x 5 = 10 Marks)**Q.1. Answer *ALL* questions

	CO #	Blooms Level
a. Mention any two categories of wages along with suitable illustrations.	CO2	K3
b. Evaluate the function of adjudication in the determination of wages.	CO5	K3
c. Identify one HR strategy for managing global compensation.	CO6	K3
d. State any two factors used to decide executive remuneration.	CO4	K3
e. Identify any two theories related to wage determination.	CO2	K2

PART – B**(10 x 5 = 50 Marks)**Answer *all* questions

	Marks	CO #	Blooms Level
2. a. Describe how Variable Dearness Allowance (V.D.A.) is connected to price inflation.	5	CO2	K3
b. Explain how payments for consultants and outsourced employees are usually determined.	5	CO4	K3
OR			
c. Discuss the major responsibilities of the HR department in compensation administration.	10	CO6	K3
3. a. Differentiate wage, salary, earnings, and Cost-to-Company (CTC) with appropriate examples.	6	CO1	K3
b. Analyse how fringe benefits differ from statutory benefits.	4	CO2	K3
OR			
c. Explain the concept of wage differentials and their determinants.	10	CO3	K2
4. a. Discuss how the wage structure impacts employee morale, satisfaction, and retention.	5	CO2	K3
b. Highlight the significance of compensation management within organizations.	5	CO1	K3
OR			
c. Illustrate the meaning and computation of Variable Dearness Allowance with a relevant example.	6	CO2	K3
d. Discuss the concept of pay grades and their advantages.	4	CO3	K2
5. a. Explain the idea of broad banding and its usefulness in present-day organizations.	6	CO4	K3
b. Compare and contrast minimum wage with living wage.	4	CO2	K4
OR			
c. "Managers and executives deserve higher pay than ordinary employees." – Give your comment.	10	CO3	K3
6. a. Assess how the HR department can maintain internal fairness/equity in	5	CO5	K3

compensation.

- b. Describe the importance of performance-linked pay in executive remuneration. 5 CO3 K3

OR

- c. **Case Background:** 10 CO4 K3

Apex Global Software Ltd., a fast-growing IT company with 3,500 employees, has been using a traditional pay structure with 18 narrow job grades, which caused slow career growth, difficulty in promotions, and too much managerial time spent on small salary adjustments. The rigid system also restricted skill development and internal movement, while competitors had already adopted flexible broad banding. To improve this, the HR team proposed replacing the 18 grades with 4 broad pay bands—Entry, Intermediate, Advanced, and Strategic—focusing on skills and performance instead of job titles. However, employees and managers were worried: junior staff feared pay compression, managers were unsure about making fair salary decisions without clear grades, and senior employees felt that broader bands might reduce promotion opportunities.

Question: Explain how broad banding can support Apex Global Software in enhancing its pay strategy. Discuss the benefits and issues of implementing broad bands in the company and suggest steps for a smooth transition.

End of Paper