|  |  |
| --- | --- |
| **C:\Users\ADMIN\Desktop\j.png** | **JAIPURIA INSTITUE OF MANAGEMENT, INDORE**Post Graduate Diploma in Management |
| **Course Title: Compensation Management, (Course Code: 40327)****End-Term Examination, Term - V (January, 2024)**  |
|  **Time Duration: 2 Hours Total Marks: 40** |

***General Instructions*:**

1. *Answer the questions as directed. The break-up of the marks is given wherever necessary.*
2. *Marks against each question is indicated to its right.*
3. *Answer all the questions of a 'Section/Question' at one place in continuation.*
4. *Answers should be brief and to the point.*
5. *Do not write on the question paper except your roll number.*

**SECTION - A**

**Q1.** Illustrate the fundamental objective and implication of the recent labour code reforms in India.  **(8 Marks)**

**Q2.** This question has two parts, and all the parts are compulsory. **(8+8 Marks)**

**(a).** Aramco Ltd has employed 5000 employees and wishes to design a compensation policy in all its divisions [(1) Engineering Design, (2) Production, (3) Software Development and Services] to correspond to its dynamic business strategy. The company wishes to employ a high-quality workforce capable of responding to a competitive business environment. Suggest different compensation structure to match Aramco's business goals

 (b). John **International, a large IT company with 7,000 employees in India, faces a 20% annual employee turnover rate and declining job satisfaction scores, particularly among its young millennial workforce. Mr. Mohit, the new GM (HR), wants to reevaluate the company's employee benefits plan to improve retention and boost employee morale. He prioritizes cost-effectiveness and attracting top talent in the competitive market. As a benefits consultant, you are tasked with designing a new employee benefit plan that caters to the company's diverse needs. Illustrate the way you would approach this challenge**

**Q3.** This question has two parts, and all the parts are compulsory.  **(4+4 marks)**

**a)** Illustrate the procedure outlined under the Minimum Wages Act 1948 for the fixation and revision of the minimum rates of wages. Suggest measures to make these more effective.

**b)** One expert argues that internal and external equity should always be the primary concern in compensation, noting that it attracts the best employees and prevents the top performers from leaving jobs. Present your comments on the above?

 **SECTION - B**

**Q4.** Find the salary structure offered to graduate recruits by Fujiyama Power for Executive Trainee- Operations. **(4+4 marks)**

1. Calculate the Gross salary, Net salary, and CTC of the employee.
2. Calculate the PF contribution per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and ESI contribution as per The Employees State Insurance Act, 1948 of both Employee and Employer.

|  |  |  |  |
| --- | --- | --- | --- |
|   |  | **CTC** |  |
|   |  |  |  |
|   | **Components** | **Amount (Monthly)** | **Amount (Monthly)** |
|   | Basic | 15000 | 180000 |
|   | Dearness Allowances | 5000 | 60000 |
|   | House Rent Allowance | 7500 | 90000 |
|   | Medical | 1250 | 15000 |
|   | Conveyance | 1600 | 19200 |
|   | **Allowances** |   |   |
|   | Uniform | 500 | 6000 |
|   | Vehicle | 500 | 6000 |
|   | Mobile | 500 | 6000 |
|   | Special | 5000 | 60000 |
|   | City compensatory | 5000 | 60000 |
| **A** | **Gross Salary** |   |   |
|   |   |   |   |
|   | Statutory |   |   |
|   | PF (employer) |   |   |
|  | PF (employee) |  |  |
|   | ESI (employer)) |   |   |
|  | ESI (employee) |  |  |
|   | Gratuity | 721 |   |
| **B** | **Total Deduction** |   |   |
|   |   |   |   |
|   | Benefits |   |   |
|   | LTA | 1000 | 12000 |
|   | Medical insurance | 200 | 2400 |
|   | Life Insurance | 100 | 1200 |
|   | Disablement insurance | 200 | 2400 |
| **C** | **Total Deduction** | 1500 | 18000 |
|   |   |   |   |
| **D** | **CTC** |   |   |