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| **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, 2025)**  |
|  **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**

1) Explain the concept of set-on and set-off in the Payment of Bonus Act 1965. Calculate Bonus. A company allocates an annual bonus to its employees based on their performance ratings and years of service. The bonus is calculated as follows:

* For employees with a performance rating of **A**, the bonus is 20% of their annual salary.
* For employees with a performance rating of **B**, the bonus is 15% of their annual salary.
* For employees with a performance rating of **C**, the bonus is 10% of their annual salary.

Additionally, employees with more than 5 years of service receive an extra 5% of their annual salary as a loyalty bonus.

If an employee earns ₹8,00,000 annually, has a performance rating of **A**, and has worked in the company for 7 years, calculate their total bonus. **(Marks 14) CLO1**

2) Differentiate between the minimum wages act 1948 and the payment of wages act 1936.

**(Marks 6)** CLO1

**SECTION - B**

3) XYZ Tech Solutions is a growing IT firm with 200 employees. Recently, the company conducted an employee engagement survey, which revealed concerns about pay inequities within the organization. Key issues include:

* Similar roles in different departments have varying pay grades without clear justification.
* Employees with comparable experience and performance ratings report significant pay differences.
* New hires are often compensated at levels higher than existing employees in similar positions.

The HR manager has been tasked with assessing the organization's internal alignment to identify gaps and recommend corrective actions.

**Question:**
Assess the organization's current pay structure and identify discrepancies that may lead to internal misalignment. What specific tools, frameworks, or methods would you use to evaluate the fairness and consistency of the compensation system?

You can make assumptions where required **(Marks 20)** CLO2