



## M COM ENTRANCE

### HRM PRACTICE QUESTIONS

#### CH7 : COMPENSATION

1. In Job-evaluation, the key jobs are designed as ones:
  - A Which are more in number in the organisation
  - B Which are most important for the survival of the organisation
  - C Which are most secure
  - D Which represent different levels of each compensable factor
  
2. **Statements:**
  - (I) Fringe-benefits, now-a-days are a significant component of compensation.
  - (II) Under piece-rate plan, employees are paid at a stipulated rate per hour of work done by the employee.
  - A Both correct
  - B Both wrong
  - C I correct, II wrong
  - D I wrong, II correct
  
3. What is the method used to determine wage differentials?
  - A Merit rating
  - B Job design
  - C Job evaluation
  - D None of the above
  
4. The purpose of job evaluation is:
  - A Training
  - B Promotion
  - C Wage fixation
  - D Transfer
  
5. **Statement-I:** It is no better to pay employees for little than to pay too much.  
**Statement-II:** Competent employees will remain competent forever.
  - A Statement I is true, but II is false.
  - B Statement II is true, but I is false.
  - C Both Statements I and II are true.
  - D Both Statements I and II are false.
  
6. Which one is not non-financial incentive ?
  - A Additional bonus on minimum wasteful expenditure.
  - B Permanent job.
  - C Participatory decision making.
  - D Recognition of individuality.

7. Which one of the following is not a monetary incentive to sales people ?

- A Bonus
- B Staff meeting
- C Travelling allowance
- D Both B and C

8. Match the items of List – I with the items of List – II and select the correct answer :

**List – I**

- (i) Job Rotation
- (ii) Job Design
- (iii) Job Evaluation
- (iv) Job Enrichment

**List – II**

- (a) Involves conscious efforts, to organise tasks, duties and responsibilities into a unit of work to achieve certain objectives.
- (b) Involves movement of employees from job to job
- (c) Seeks to improve both task efficiency and human satisfaction and more opportunity for individual growth
- (d) The formal process by which the relative worth of various jobs in the organisation is determined for pay purpose.

Codes :

- A i-a; ii-b; iii-c; iv-d
- B i-d; ii-c; iii-b; iv-a
- C i-c; ii-d; iii-b; iv-d
- D i-b; ii-a; iii-d; iv-c

9. Indicate the quantitative methods of job evaluation

- A Ranking methods and job comparison method
- B Point rating method and Factor comparison
- C Grading method and job classification
- D Factor comparison method and Ranking method

10. **Assertion (A):** Job evaluation is essentially a job rating process, not unlike the rating of employees.

**Reasoning (R):** Job evaluation is a practice which seeks to provide a degree of objectivity in measuring the comparative value of jobs within an organisation and among similar organisations.

- A Both Assertion (A) and Reasoning (R) are correct
- B Both Assertion (A) and Reasoning (R) are incorrect
- C Assertion (A) is correct, but Reasoning (R) is incorrect
- D Reasoning (R) is correct, but Assertion (A) is incorrect

11. The internal factors affecting the wage mix include :

- (a) Relative worth of the job
- (b) Area wage rates
- (c) Employer's ability to pay
- (d) Manpower market conditions

Codes :

- A (a), (b) and (c)
- B (a) and (c)
- C (b), (c) and (d)

**D** All of the above

12. Under which of the following gain sharing plans the employer divides the value added for the period by total payroll expenses ?
- A** Scanlon Plan
  - B** Improshare Plan
  - C** Rucker Plan
  - D** Scalar Plan
13. Which of the following statement relating to incentive payments is correct?
- A** In Halsey incentive plan, bonus paid to a worker is equal to 50 percent of time saved divided by rate per hour.
  - B** In Rowan incentive plan, bonus paid to employee is equal to the proportion of the time saved to the standard time.
  - C** In Taylor's differential piece rate system, a worker whose output exceeds standard output is paid 100 per cent of piece rate and a worker whose output falls short of standard is paid only 50 percent of piece rate.
  - D** The Rowan incentive plan is the base of all other incentive payment plans.
14. Minimum wages are fixed by:
- A** Trade unions
  - B** Employees
  - C** State Governments
  - D** Court of law
15. ESOP stands for \_\_\_\_\_ and was developed by \_\_\_\_\_
- A** Employee Stock Ownership Plans; Wallace Forbes
  - B** Employee Stock Ownership Programs; Louis Kelso
  - C** Employee Stock Ownership Plans; Louis Kelso
  - D** Employee Share Ownership Programs; Louis Kelso