



IDEA INSTITUTE OF MANAGEMENT & TECHNOLOGY

3rd Floor, Kamar Trust Building, Aroma High School, Usmanpura, Ashram Road, Ahmedabad - 380013.

☎ : 2755 2040, 2755 2600, 9727 411 411 • www.ideaindia.org • info@ideaindia.org

Compensation Benefits

9:00am to 11:00pm

Semester – IV(HR)

June 13, 2010

SECTION A (ONE MARKS)

- (1) What are the publish sources in India for job surveys?
- (a) reports published by the Ministry of Labor
 - (b) Pay Commission reports
 - (c) Trade journals of specific industry groups.
 - (d) all of the above

Answer : D

- (2) The Government of India introduced this scheme for the purpose of providing family Pension and Life Insurance benefits to the employees of various establishments.

- (a) Provident Fund
- (b) Pension
- (c) deposit linked insurance
- (d) gratuity

Answer : B

- (3) What all is included in the welfare and recreational facilities provided by the employer?

- (a) canteen
- (b) consumer stores
- (c) credit societies
- (d) all of the above

Answer : D

- (4) In this plan, employees receive a constant proportion of the 'added value'.

- (a) Preistman's Production Bonus
- (b) Rucker Plan
- (c) Scanlon Plan
- (d) Town Plan

Answer : B

- (5) This involves collecting and evaluating relevant information about jobs.

- (a) Job analysis
- (b) job documentation
- (c) job hierarchy
- (d) pricing jobs

Answer : A

- (6) The main objective of this plan is to bring about cost reduction by foreman and workers.

- (a) Preistman's Production Bonus
- (b) Rucker Plan
- (c) Scanlon Plan
- (d) Town Plan

Answer : D

- (7) In this case, employee receive a single sum payment at the time of their

review-which in any case, is not added to their base pay.

- (a) bonuses
- (b) merit pay
- (c) lump sum merit pay
- (d) none of the above

Answer : C

(8) In this method, the effect on the wages is quite severe in the marginal cases.

- (a) Taylor's Differential Piece Rate System
- (b) Gantt Task and Bonus Plan
- (c) Merrick's Differential Piece Rate System
- (d) none of the above

Answer : B

(9) These are allowed to executives and include company car, club membership, paid holidays, furnished house.

- (a) wages and salary
- (b) incentives
- (c) fringe benefits
- (d) perquisites

Answer : D

(10) In this plan, there shall be two-piece work rates, one is lower and the other is higher.

- (a) Taylor's Differential Piece Rate System
- (b) Gantt Task and Bonus Plan
- (c) Merrick's Differential Piece Rate System
- (d) none of the above

Answer : A

(11) What are the demerits of Emerson Efficiency Plan?

- (a) The worker may be encouraged to rush through work and thus neglected
- (b) The ordinary worker may find the bonus calculation a bit difficult
- (c) there is little incentive after 100 percent efficiency level
- (d) much clerical work is involved

Answer : C

(12) What are the demerits of The Rowan Plan?

- (a) The worker may be encouraged to rush through work and thus neglected
- (b) The ordinary worker may find the bonus calculation a bit difficult
- (c) there is little incentive after 100 percent efficiency level
- (d) much clerical work is involved

Answer : B

(13) Which of the following can be deductible in computing income from business or profession?

- (a) current repairs and insurance of machinery, plant or furniture
- (b) revenue expenditure on scientific research
- (c) both a and b
- (d) none of the above

Answer : C

What are the demerits of time wage system?

- (a) the method provided no incentive for better performance
- (b) it is very difficult to fix this.
- (c) both a and b
- (d) none of the above

Answer : A

(15) What are the merits of time wage system?

- (a) there is a direct relation between effort and reward
- (b) it is easy to understand and workers can easily compute their own remuneration
- (c) both a and b
- (d) none of the above

Answer : B

(16) According to this method, dearness allowance is paid at a flat rate to all workers irrespective of their wage and regardless of changes in the consumer price index.

- (a) flat rate
- (b) graduated scale
- (c) index-based D.A
- (d) D.A linked to index and pay scale

Answer : A

(17) Which of the following are the main norms in the 41st Labor Ministers' Conference?

- (a) the standard working class family should be taken as comprising consumption units instead of 3
- (b) minimum food requirements should be calculated on the basis of 2,700 calories per conception unit in conformity with the food habits of the region.
- (c) both a and b
- (d) none of the above

Answer : C

(18) The commission suggested that the wage policy has to be framed taking into account such factors as the price level which can be sustained.

- (a) Committee on Fair Wages, 1948
- (b) National Commission on Labor, 1969
- (c) Chakraborty Committee, 1974
- (d) Bhoothalingam Study Group, 1978

Answer : B

(19) Which of the following are included in the soft variables of wage components?

- (a) salary
- (b) Opportunity for advancement
- (c) augmented pay
- (d) none of the above

Answer : B

(20) What are the main complements of pay structure in India?

- (a) basic wage
- (b) dearness allowance
- (c) bonus and other incentives

(d) all of the above

Answer : D

(O) SECTION B

(21) ___ is also alternately known as the social comparison theory.

- (a) The Expectancy Theory
- (b) The Reinforcement Theory
- (c) The Equity Theory
- (d) The Agency Theory

Answer : C

(22) ___ deals with the perceived worth of a job relative to other jobs in the organization.

- (a) internal equity
- (b) external equity
- (c) individual equity
- (d) none of the above

Answer : A

(23) ___ is also called payments by results.

- (a) wages and salary
- (b) incentives
- (c) fringe benefits
- (d) perquisites

Answer : B

(24) ___ is a system wherein employees are made partners of the enterprise and are allowed to participate in the management and control of the undertaking.

- (a) profit-sharing
- (b) Labor co-partnership
- (c) gain-sharing
- (d) improshare

Answer : B

(25) ___ is something more than the minimum wage providing the bare necessities of life.

- (a) basic wages
- (b) minimum wage
- (c) fair wage
- (d) dearness allowance

Answer : C

(26) Gift Tax has been abolished in respect of gifts made on or after _____.

- (a) 1-1-1998
- (b) 1-10-1998
- (c) 1-4-1998
- (d) none of the above

Answer : B

(27) What are the advantages of labor co-partnership?

(a) It helps to improve productivity and to reduce costs because workers have a stake in the profitability of the enterprise

(b) The employees become more loyal and committed to the enterprise because their future is linked with the company's future

(c) Employees remain loyal and committed to the company

(d) all of the above

Answer : B

(28) ___ is an incentive payment that is given to an employee beyond his normal standard wage.

(a) bonuses

(b) merit pay

(c) lump sum merit pay

(d) none of the above

Answer : A

(29) ___ is an important supplement to wages and a good financial incentive.

(a) profit-sharing

(b) labor co-partnership

(c) gain-sharing

(d) improshare

Answer : A

(30) ___ is a reward to an employee for his long service with his present employer.

(a) Provident Fund

(b) Pension

(c) deposit linked insurance

(d) gratuity

Answer : D

(31) ___ more and varied types of fringe benefits rather than pay hike because of reduction in tax burden on the part of employees and in view of the galloping price index and cost of living.

(a) employee demands

(b) trade union demands

(c) employer's preference

(d) none of the above

Answer : A

() SECTION C

(32) Under this method, a higher rate of D.A is prescribed for lower pay scale and a lower rate for higher pay scales.

(a) flat rate

(b) graduated scale

(c) index-based D.A

(d) D.A linked to index and pay scale

Answer : D

(33) What is the need for extending benefits to employees?

(a) rising prices and cost of living has brought about incessant demand for provision of extra benefit to the employees

(b) employers too have found that fringe benefits present attractive areas of negotiation when large wage and salary increases are not feasible

(c) both a and b

(d) all of the above

Answer : C

(34) What are the demerits of Wier Plan?

- (a) The worker may be encouraged to rush through work and thus neglected
- (b) The ordinary worker may find the bonus calculation a bit difficult
- (c) there is little incentive after 100 percent efficiency level
- (d) much clerical work is involved

Answer : A

(35) Under this plan, standard time for the job is determined scientifically and a minimum time wage.

- (a) Wier Plan
- (b) The Rowan Plan
- (c) Emerson Efficiency Plan
- (d) Bedeaux Point Plan

Answer : C

(36) For an industrial undertaking fulfilling the conditions, additional depreciation in respect of a machinery costing Rs. 10 lakh acquired and installed on October 3, 2005 is

- (a) Rs. 75,000
- (b) Rs. 1,50,000
- (c) Rs. 1,00,000
- (d) None of the above

Answer : C

(37) Surcharge of 10 per cent is payable by an individual where the total income exceeds:

- (a) Rs. 7,50,000
- (b) Rs. 8,50,000
- (c) Rs. 10,00,000
- (d) None of the three

Answer : C

(38) Which of the following is True?

- (a) In differential piece rate method, payment is made on the basis of a fixed amount per fixed units produced without regard to the time taken.
- (b) Under piece rate system, speed is the basis of payment, instead of time.
- (c) In mental and non-respective jobs, piece rate system is a more equitable and conventional method.
- (d) None of the above

Answer : B