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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA
(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA IEV

SEM: II - THEORY EXAMINATION (2025 - 2026)

Subject: Compensation & Performance Management

Time: 3 Hours

Max. Marks: 100

General Instructions:

IMP: Verify that you have received the question paper with the correct course, code, branch etc.

1. This Question paper comprises of **three Sections -A, B, & C**. It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.

2. Maximum marks for each question are indicated on right -hand side of each question.

3. Illustrate your answers with neat sketches wherever necessary.

4. Assume suitable data if necessary.

5. Preferably, write the answers in sequential order.

6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

SECTION-A

20

1. Attempt all parts:-

- (1.1) Performance Management is primarily concerned with improving _____ in an organization. (CO1, K2) 1
- (a) Employee performance
- (b) Sales figures
- (c) IT infrastructure
- (d) Office design
- (1.2) Strategic alignment in performance management means linking individual goals to _____. (CO1, K2) 1
- (a) Organisational goals
- (b) Personal hobbies
- (c) Market trends
- (d) Union demands
- (1.3) The graphic rating scale is classified as a _____ method of performance appraisal. (CO2, K1) 1
- (a) Traditional
- (b) Modern
- (c) Behavioural
- (d) Developmental
- (1.4) The Assessment Center method is used mainly for appraising _____. (CO2, K2) 1
- (a) Shop floor workers
- (b) Daily attendance records
- (c) Managerial potential through simulated exercises

- (d) Customer satisfaction scores
- (1.5) The full form of CTC in compensation management is _____. (CO3, K2) 1
- (a) Cost To Company
- (b) Cash Transfer Credit
- (c) Compensation To Colleague
- (d) Cost To Candidate
- (1.6) The time rate method of payment means an employee is paid based on _____. (CO3, K2) 1
- (a) Time spent at work regardless of output
- (b) Units produced
- (c) Customer satisfaction scores
- (d) Targets achieved
- (1.7) Non-financial incentives are designed to motivate employees through _____. (CO4, K2) 1
- (a) Higher basic salary
- (b) Annual bonus payments
- (c) Recognition, responsibility, and growth opportunities
- (d) Statutory compliance benefits
- (1.8) Profit-sharing is a plan in which employees receive a share of the organization's _____. (CO4, K2) 1
- (a) Profits over and above a threshold
- (b) Total revenue before expenses
- (c) Fixed monthly salary
- (d) Overtime pay
- (1.9) Pay transparency refers to the practice of openly sharing information about _____ within an organization. (CO5, K2) 1
- (a) Individual employee personal data
- (b) Pay levels, pay ranges, and the criteria for pay decisions
- (c) Company profits only
- (d) Recruitment budgets
- (1.10) The linkage between performance management and talent management ensures that high performers are identified for _____. (CO5, K2) 1
- (a) Immediate redundancy
- (b) Reduced variable pay
- (c) Development, promotion, and succession pipelines
- (d) Transfer to lower roles

2. Attempt all parts:-

- (2.1) Describe the role of goal-setting in an effective Performance Management System. (CO1, K2) 2
- (2.2) State two main objectives of Performance Appraisal in an organization. (CO2, K2) 2
- (2.3) State two components typically included in a CTC structure apart from basic 2

- salary. (CO3, K2)
- (2.4) Differentiate between short-term and long-term incentive plans. (CO4, K4) 2
- (2.5) Analyze the consequences of pay inequity on employee behaviour and organizational outcomes. (CO5, K4) 2

SECTION-B

30

Answer any one of the following:-

- (3.1) Describe the evolution of Performance Management Systems from traditional appraisals to contemporary approaches. (CO1, K2) 6
- (3.2) Describe the process of conducting an effective performance appraisal interview. (CO1, K2) 6

Answer any one of the following:-

- (3.3) Explain Management by Objectives (MBO) method of appraisal and discuss its advantages. (CO2, K2) 6
- (3.4) Discuss the common errors made by raters during performance appraisals and suggest strategies to minimize them. (CO2, K2) 6

Answer any one of the following:-

- (3.5) Deliberate upon the concept of compensation management and discuss its importance for attracting, retaining, and motivating employees. (CO3, K4) 6
- (3.6) Explain the factors that influence compensation decisions, including internal equity, external competitiveness, and legal compliance. (CO3, K2) 6

Answer any one of the following:-

- (3.7) Describe the concept of non-financial incentives and explain how they contribute to employee motivation and satisfaction. (CO4, K2) 6
- (3.8) Deliberate upon the concept of benefits administration and describe the key steps involved in administering a benefits programme in an organization. (CO4, K4) 6

Answer any one of the following:-

- (3.9) Explain the concept of pay-for-performance models and describe the different types of pay-for-performance plans used in organizations. (CO5, K2) 6
- (3.10) Critically analyze Maslow's Hierarchy of Needs and discuss its implications for designing compensation and reward systems. (CO5, K4) 6

SECTION-C

50

4. Answer any one of the following:-

- (4.1) Examine the role of continuous feedback and coaching in modern performance management and compare it with traditional annual appraisal systems. (CO1, K5) 10
- (4.2) Evaluate the process of designing and implementing a Performance Improvement Plan (PIP), and discuss how it can be used constructively to support underperforming employees. (CO1, K5) 10

5. Answer any one of the following:-

- (5.1) Analyze the objectives and importance of performance appraisal in modern organizations and explain how it contributes to employee development and organizational effectiveness. (CO2, K4) 10
- (5.2) Critically evaluate the 360-degree feedback appraisal method. Discuss its design, 10

implementation challenges, benefits, and potential drawbacks for organizations. (CO2, K5)

6. Answer any one of the following:-

- (6.1) Critically examine the components of a comprehensive compensation package including fixed pay, variable pay, incentives, benefits, and perquisites. Discuss how organizations design these components to balance cost and employee satisfaction. (CO3, K5) 10
- (6.2) As a HR consultant design a fair compensation structure for a medium sized organization and explain the role of Job Evaluation in wage determination. (CO3, K6) 10

7. Answer any one of the following:-

- (7.1) Evaluate the design and effectiveness of short-term and long-term incentive plans. Discuss the conditions under which each type is most appropriate and illustrate with examples from corporate practice. (CO4, K5) 10
- (7.2) Critically examine Employee Stock Ownership Plans (ESOPs) as a long-term incentive tool. Discuss their design, tax implications, motivational impact, and the risks associated with equity-based compensation. (CO4, K4) 10

8. Answer any one of the following:-

- (8.1) Analyze how digital transformation and remote work culture have changed performance and compensation management practices in organization. (CO5, K4) 10
- (8.2) Analyze the role of HR analytics and technology in transforming performance management and compensation systems. Discuss both the opportunities and the ethical risks of data-driven HR decision-making. (CO5, K4) 10