

Compensation Management 1

Compensation and benefits

Multiple Choice Questions

i) Wages are paid to the ?

- a) employee
- b) labor
- c) Manager
- d) Board of director

Ans labor

ii) Minimum Wages Act ?

- a) 1948
- b) 1949
- c) 1958
- d) 1979

Ans 1948

iii) Children below age group can't work as labor, according to labor Act.

- a) 14
- b) 15
- c) 18
- d) 21

Ans 14 year

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iv) Compensation is reward to the employee for their ?

- a) Performance
- b) Work
- c) Contribution to organization
- d) Smartness

Ans Contribution to organization

v) Which is not the objective of Compensation?

- a) To establish equity
- b) To Improve Employee Efficiency
- c) To Control Cost
- d) To Comply with illegal Regulation

Ans To comply with illegal Regulation

Vi) Who is Responsible for compensation decision making?

- a) HR Unit & Manager
- b) Worker
- c) laymen
- d) BOD

Ans HR Unit & Manager

vii.Q Wages are paid to the ?

- a) employee
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- c) Manager
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Ans labor

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viii.Q Minimum Wages Act ?

- a) 1948
- b) 1949
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Ans 1948

ix)Q Children below age group can't work as labor, according to labor Act.

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MCQ'S

x.Q Compensation is reward to the employee for their ?

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Ans Contribution to organization

11.Q Which is not the objective of Compensation?

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d) To Comply with illegal Regulation

Ans To comply with illegal Regulation

12.Q Who is Responsible for compensation decision making?

a) HR Unit & Manager

b) Worker

c) laymen

d) BOD

Ans HR Unit & Manager

13.Q First step of compensation process (management) is ?

a) Developing of pay Structure

b) Evaluation of Job

c) Pricing of Job

d) Analysis of Job

Ans Analysis of Job

14.Q When the Royal Commission on labor was appointed?

a) 1975

b) 1938

c) 1928

d) 1958

Ans 1928

15.Q When the new economy policy has been passed?

a) 1991

b) 1999

c) 1961

d) 1948

Ans 1991

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16.Q Which one is not the Internal Contingent factor in Compensation plan

a) Organization Strategy

b) Trade Union

c) Nature of Jobs

d) Nature of personnel

Ans Trade Union

17.Q Under Employee provident fund provision Act 1952, The employer has to contribute % of Wages / Salary of employee per month

a) 7.5%

b) 9%

c) 7%

d) 8.5%

Ans 8.5%

18.Q In factories Act 1948, these provisions are covered under following heading a) Health, Safety Welfare, Working hour.

- a) True
- b) False

Ans True

19.Q Fair Committee established in year:-

- a) 1948
- b) 1936
- c) 1935
- d) 1958

Ans 1948

20.Q The Job Grading method was made popular by the Civil Service Commission

- a) US
- b) UK
- c) France
- d) India

Ans US

21.Q The basic objective of compensation management is meeting the need of both & .

- a) employee & organization
- b) employee & labor
- c) labor & labor union
- d) employee & manager

Ans employee & organization

22.Q Which theory explain the employee & employer Relationship

- a) Agency theory
- b) Piece Rate theory
- c) Gantt – task theory
- d) Maslow’s hierarchy need theory

Ans Agency theory

23.Q Job evaluation is a process?

- a) One – time process
- b) Yearly process (at end)
- c) Continuous
- d) Random

Ans Continuous process

24.Q Which is not included in system of payment of Dearness Allowance

- a) Flat Rate
- b) Graduated Scale
- c) Cost of living & Consumer Price Index number
- d) General allowance

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Ans General Allowance

25.Q It is legal to pay differences on such protected personal characteristics as Sex, race, color; martial Status.

- a) True
- b) False
- c) Slitely False
- d) Slitely True

Ans False

26.Q Wage fund theory is propound by

- a) Adam Smith (1723-1790)
- b) J.S. Mill (1723-1790)
- c) David Ricardo (1772-1823)
- d) Karl Marx (1818-1883)

Ans Adam Smith (1723-1790)

27.Q Which theory of Wage is based on population

- a) Wage fund Theory

- b) Subsistence Theory
 - c) Marginal productivity Theory
 - d) Behavioural Theory
- Ans Subsistence Theory

28.Q Payment of Wages Act, ?

- a) 1936
- b) 1948
- c) 1976
- d) 1965

Ans 1936

29.Q Minimum Wage Act, ?

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- a) 1936
- b) 1948
- c) 1976
- d) 1965

Ans 1948

30.Q Equal Remuneration Act, ?

- a) 1936
- b) 1948
- c) 1965
- d) 1976

Ans 1976

31.Q Payment of Bonus Act ?

- a) 1965
- b) 1948
- c) 1936
- d) 1976

Ans 1965

32.Q The minimum Wages fixing Machinery Convention was held at during 1928.

- a) America
- b) France
- c) Australia
- d) Geneva

Ans Geneva

33.Q Article under the directive principle of state policy of Indian Constitution enjoins upon the state to Secure equal pay for equal work for both men & Women
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- a) 39
- b) 32
- c) 31
- d) 27

Ans 39

34.Q The first Wage Board was appointed for the which Industry in march 1957

- a) Cotton textile industry
- b) Metal Industry
- c) Chemical Industry
- d) Steel plants

Ans Cotton textile Industry

35.Q Sixth pay Commission recommends hik in Salary of government employee

- a) 30%
- b) 50%
- c) 80%
- d) 40%

Ans 40%

36.Q Tax Rebate of on education per child to the maximum of two children

- a) 12050

- b) 12500
 - c) 13500
 - d) 12000
- Ans 12000

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37.Q Which exit technique is known as Golden Handshake?

- a) VRS
- b) Cay-off
- c) Retirement
- d) Resignation

Ans VRS

38.Q An Employee can apply for VRS after completing year of Service?

- a) 7
- b) 10
- c) 15
- d) 25

Ans 10 years

39.Q Which Section of Industrial dispute Act 1947, define lay-off as the failure, refusal of employer to give employment to Worker whose name is present on rolls but who has not been retrenched.

- a) 2 (KKK)
- b) 2 (KJ)
- c) Section 2
- d) Section 2 (a)

Ans 2 (KKK)

40.Q Acc to Sec 198 (2) of Companies Act 1956 Any fee payable to director shall be excluding of maximum remunerating of .

- a) 11%
- b) 25%
- c) 12.5%
- d) 9%

Ans 11%

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41.Q The maternity leave for women is of months?

- a) 9 month
- b) 6 months
- c) 10 months
- d) 5 months

Ans 6 months

42.Q Equity is concerned with felt according to natural law or right

- a) equal
- b) fair
- c) Unfair
- d) Justice

Ans Justice

43.-Compensation can be _____ benefits.

- a. Monetary
- b. Non-monetary
- c. both 'a' and 'b'
- d. None of the above

(Ans: c)

44.-Wages represents _____ rates of pay.

- a. Hourly
- b. Daily
- c. Weekly
- d. Monthly

(Ans: a)

45.-_____ are also called 'payments by results'.

- a. allowances
- b. claims
- c. incentives
- d. fringe benefits

(Ans: c)

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46-Incentives depends upon

- a. productivity
- b. sales
- c. profits
- d. All of the above

(Ans: d)

47-The following is paid only at the time of employees exit after serving more than five years

- a. Perquisites
- b. Claims
- c. Gratuity
- d. Allowances

(Ans: c)

48-The following is a perquisites.

- a. Club membership
- b. Provident fund
- c. Medical allowance
- d. Group insurance

(Ans: a)

49-'A behaviour which has rewarding experience is likely to be repeated' is postulated by

- a. Reinforcement and expectancy theory
- b. Equity theory
- c. Agency theory
- d. None of the above

(Ans: a)

50-'A fair day work for fair day pay' denotes a sense of _____ felt by employees.

- a. Responsibility
- b. Equity
- c. Happiness
- d. Respect

(Ans: b)

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51-The remuneration system needs to meet the following type(s) of equity

- a. Internal
- b. External
- c. Individual
- d. All of the above

(Ans: d)

52-Which of the following factor influence(s) employee compensation?

- a. Labour market
- b. Cost of living
- c. Labour unions
- d. All of the above

(Ans: d)

53-Match the following

Business strategy Compensation strategy

A. Invest to grow 1. Stress on cost control

B. Manage earnings – protect markets 2. Stimulate entrepreneurialism

C. Harvest earnings – reinvest elsewhere 3. Reward management skills

The correct answer is

- a. A-1, B-2, C-3
- b. A-2, B-1, C-3
- c. A-2, B-3, C-1
- d. A-3, B-1, C-2

(Ans: c)

54-Any compensation plan must be

- a. Understandable, workable, acceptable
- b. Reasonable, workable, acceptable
- c. Understandable, feasible, acceptable
- d. Understandable, workable, compensable

(Ans: a)

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55.-The following is not a part of remuneration model

- a. Job description
- b. Job evaluation
- c. Job hierarchy
- d. Job analysis

(Ans: d)

56-Elitist remuneration systems are prevalent among

- a. Well established firms
- b. Companies with mature products
- c. Companies with limited competition
- d. All of the above

(Ans: d)

57-In organized industrial establishments pay review takes place once in ____ years.

- a. Three
- b. Seven
- c. Ten
- d. Fifteen

(Ans: a)

58-Equal remuneration Act 1976, prohibits discrimination in matters relating to remuneration on the basis of

- a. Religion
- b. Region
- c. Sex
- d. All of the above

(Ans: d)

59-The following is not a concept of wage

- a. Daily wages
- b. Minimum wages
- c. Fair wages
- d. Living wages

(Ans: a)

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60. _____ can be fixed by comparison with an accepted standard wage

- a. Minimum wages
- b. Fair wages
- c. Living wages
- d. All of the above

(Ans: b)

61.-A _____ must be fixed considering the general economic conditions of the country.

- a. Minimum wages
- b. Fair wages

- c. Living wages
- d. All of the above

(Ans: c)

62.-In India, _____ wage is determined mainly for sweated industries

- a. Minimum
- b. Fair
- c. Living
- d. Standard

(Ans: a)