



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **HRM2023 Compensation**
Semester & Year : September – December 2022
Lecturer/Examiner : Wan Ahmad Asrar Nik @ Wan Yahya
Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
PART A (60 marks) : **FOUR (4) short answer questions. Answers are to be written in the Answer Booklet provided.**
PART B (40 marks) : **TWO (2) essay questions. Answers are to be written in the Answer Booklet provided.**
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple-choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students’ Handbook, up to and including expulsion from BERJAYA University College.

PART A
INSTRUCTION (S)

: SHORT ANSWER QUESTIONS (60 MARKS)

: Answer all **FOUR (4)** short answer questions. Write your answers in the Answer Booklet (s) provided.

Question 1

- a. Define compensation. (1 mark)
- b. Explain the pay model of compensation. (5 marks)
- c. Describe **FOUR (4)** forms of pay. (8 marks)
- d. State **ONE (1)** policy issue in the pay model. (1 mark)

[Total: 15 marks]

Question 2

Explain the following:

- a. How compensation support business strategy? (5 marks)
- b. Different compensation strategies in the same industry. (5 marks)
- c. The five strategic compensation choices. (5 marks)

[Total: 15 marks]

Question 3

- a. Define marginal labour productivity. (1 mark)
- b. Describe **THREE (3)** types of pay structure. (6 marks)
- c. Explain the distributive justice in determining pay structure. (5 marks)
- d. State **THREE (3)** factors that shape pay structure. (3 marks)

[Total: 15 marks]

Question 4

- a. Describe **TWO (2)** methods of job evaluation. (4 marks)
- b. Explain the following
 - i. Job Analysis. (5 marks)
 - ii. Competency. (5 marks)
- c. State **ONE (1)** purpose of job evaluation. (1 mark)

[Total: 15 marks]

END OF PART A

PART B

INSTRUCTION (S)

: ESSAY QUESTIONS (40 MARKS)

: Answer all **TWO (2)** essay questions. Write your answers in the Answer Booklet (s) provided.

Question 1

Employees in a multi-skill system earn pay increases by acquiring new knowledge, but the knowledge is specific to a range of related jobs. As a new human resource compensation specialist at a tool coating company, you are going to develop a skill-based pay structure for a multi-skill employee.

- a. Develop a skill-based pay structure ladder for a multi-skill employee with the aid of a table. (10 marks)
- b. Discuss **FOUR (4)** advantages of using the pay structure. (8 marks)
- c. Provide **TWO (2)** examples of multi-skill occupation that are paid based on general skills. (2 marks)

[Total: 20 marks]

Question 2

Companies often claim to be “market-driven” that is, they pay competitively with the market or even are market leaders. Understanding how markets work requires is important too.

- a. Illustrate how the labour and demand theories affect compensation decision making? (12 marks)
- b. Based on the efficiency wage-theory, state **FIVE (5)** conditions in which a company can increase efficiency with high wages. (5 marks)
- c. Provide **THREE (3)** examples of three foreign countries that can provide cheaper unskilled workers to Malaysia. (3 marks)

[Total: 20 marks]

END OF EXAM PAPER