

PROGRAM

INDEX NUMBER

SIGNATURE



**CHRISTIAN SERVICE UNIVERSITY COLLEGE
KUMASI**

CSUC SCHOOL OF BUSINESS

DEPARTMENT OF MANAGEMENT AND GENERAL STUDIES

BACHELOR OF BUSINESS ADMINISTRATION

End of Special Resit Examination 2018/19 Academic year

Level 400

Regular/Weekend School

CSBH 479: COMPENSATION AND REWARD SYSTEMS 1

August 2019

TIME ALLOWED: 2 HRS 30 MINUTES

INSTRUCTIONS TO CANDIDATES:

General Instructions:

- *Write your index number in the space provided above on the question paper.*
- *Answer all questions in sections A and B and any two questions from section C in the answer booklet provided.*

Note that the question paper will be collected together with the answer booklet at the end of the examination.

Examiner: Isaac Ampong

SECTION A
(20 marks)

Read the following case on compensation and reward system and answer ALL the questions that follow. Greater importance is attached to systematic calculations and how answers are arrived at.

You are the Wage and Salary Administrator of OSBEL Co. Ltd, a group of companies employing about 192 employees. The following are the categories of employees and their levels of compensation:

| | | | | | |
|--------------------------------|-----|-----|-----|--------------|---------|
| Chief Executive Officer | ... | ... | ... | 3,000 | Monthly |
| General Manager | ... | ... | ... | 2,000 | " |
| Accountant | ... | ... | ... | 1,500 | " |
| Restaurant Manager | ... | ... | ... | 1,500 | " |
| Human Resource Manager | ... | ... | ... | 1,200 | " |
| Marketing Manager | ... | ... | ... | 1,200 | " |
| Wages and Salary Administrator | ... | ... | ... | 1,200 | " |
| Receptionist | ... | ... | ... | 200 | " |
| Accounts Clerk | ... | ... | ... | 500 | " |
| Security Officer | ... | ... | ... | 150 | " |
| Store Keeper | ... | ... | ... | 300 | " |
| Messenger | ... | ... | ... | 120 | " |
| Chef (10 in number) | ... | ... | ... | 1,000 (each) | " |
| Cooks (120 in number) | ... | ... | ... | 150 (each) | " |
| Labourers (50 in number) | ... | ... | ... | 100 (each) | " |

On the basis of the above, compute the following:

- (a) Total gross monthly base salary for **ALL** the staff of the company. **(5 marks)**
- (b) Total compensation of **ALL** the Labourers four (4) months. **(5 marks)**
- (c) Total gross monthly compensation of the Chief Executive Officer, General Manager, Accountant, Restaurant Manager, Human Resource Manager, Marketing Manager and Wage and Salary Administrator. Each receives a responsibility allowance of 10% on basic salary monthly. **(5 marks)**
- (d) Calculate for the basic pay of the Human Resource manager. **(5 marks)**
 - Tax for all staff excluding the CEO is 5%
 - Canteen allowance of 15%
 - Maintenance allowance of 3%

SECTION B

(20 marks)

INSTRUCTION: Answer ALL the questions in the answer booklet. Each question carries 2 marks.

1. State two characteristics of the pay structure.
2. Which legal body in Ghana comes out with the minimum wage?
3. State the type of performance appraisal that involves superiors, subordinates, peers and other stakeholders.
4. Briefly explain COLA.
5. State Cash's (1993) FOUR purposes of performance appraisal.
6. List TWO main elements of compensable factors?
7. What are total rewards?

SECTION C
(30 marks)

Instruction: Answer any **TWO** questions from this section. Each question carries **15 MARKS**

Question 1

‘Every good compensation and reward systems have certain effects on employment’

- a. What is compensation? State and briefly explain the **FOUR** core elements of compensation. **(5 marks)**
- b. Outline **FIVE** pull factors of compensation and reward systems. **(5 marks)**
- c. Outline **FIVE** uses of compensation and reward systems. **(5 marks)**

Question 2

- a. Explain the following terms:
 - (i) Performance **(1mark)**
 - (ii) Work Life balance **(1mark)**
 - (iii) Intrinsic Rewards **(1mark)**
 - (iv) Relational returns **(1mark)**
 - (v) Piece Rate **(1mark)**
- b. Under what **FIVE** circumstances will one of two employees doing the same type of work earn more than the other? **(5 marks)**
- c. State and briefly explain **FIVE** peculiar challenges/problems associated with job evaluation. **(5 marks)**

Question 3

- a. In spite of the benefits associated with performance appraisal, it has its challenges. Briefly explain **FIVE** main challenges in appraising performance. **(5 marks)**
- b. Explain the following terms:
 - (i) 360- degree **(1 mark)**
 - (ii) Management by objectives **(1 mark)**
 - (iii) Job evaluation **(1 mark)**
 - (v) Job specification **(1 mark)**
 - (vi) Pay structure **(1 mark)**
- c. Outline **FIVE** goals of compensation. **(5 marks)**

Question 4

- a. State **FIVE** challenges that confront managers in compensation and reward systems. **(5 marks)**
- b. Outline and briefly explain **FIVE** objectives of evaluating jobs. **(5 marks)**
- c. What is performance appraisal? Give **FOUR** benefits of performance appraisal. **(5 marks)**