



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCE AND EDUCATION

DEPARTMENT OF MANAGEMENT

QUALIFICATION: BACHELOR OF HUMAN RESOURCES MANAGEMENT HONOURS	
QUALIFICATION CODE: 08HHRM	LEVEL: 8
COURSE CODE: CMA812S	COURSE NAME: COMPENSATION MANAGEMENT
DATE: NOVEMBER 2022	PAPER: 1 st Opportunity
DURATION: 3 HOURS	MARKS: 100

FISRT(1 ST) OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	Mr. Werner Coetzee
MODERATOR:	Dr Simeon Amunkete

INSTRUCTIONS	
<ol style="list-style-type: none">1. Answer ALL the questions.2. Write clearly and neatly.3. Number your answers clearly.	

PERMISSIBLE MATERIALS

1. Examination paper
2. Examination script

THIS QUESTION PAPER CONSISTS OF 6 PAGES (Including this front page)

Answer ALL the questions below.

Excerpt:

Harsh economic times have had an impact at WDS Investment CC, a company that manufacture Safety wears.

While unsure if the company will turn around, Elroy remains hopeful. The company has a strong reputation for creativity and reasonably priced services and Elroy is convinced that as the economy improves, business will return.

As such, they decide on a new pay structure. John argues that it is not important to consider a new pay structure.

Elroy argues that the employees understand the troubled times, and feels that with a new pay structure the company will ensure equity in pay.

(Answer the questions under this case study in this section)

Section A

Question 1 (20marks)

Critically explain the steps to be taken by Elroy in this process in order to ensure an effective pay structure and the implications to the company. (20)

Question 2 (20marks)

Individual incentive plans can be instrumental to improving quality, productivity and customer satisfaction as well as attendance for WDS Investment. Discuss common types of individual incentive plans. (20)

Question 3 (20marks)

3.1 Explain the following concepts in your own words by using examples. (15)

a) Salary Band, b) Pay slope, c) Pay overlap, d) Quartile, e) Pay structure

3.2 Explain the difference between base pay and performance - related pay (PRP)? (5)

Question 4 (20marks)

Advice WDS Investment on the guidelines special attention should be given in the process of implementing job evaluation. (20)

Section B (20marks)
Multiple Choice Questions

Question 1 (20marks)

1.1. Which of the following is not one of the three main factors of the Hay system?

1. experience
2. know-how
3. problem solving
4. accountability

1.2. Which of the following is a legally mandated benefit?

1. social security
2. unemployment compensation
3. workers' compensation
4. all of the above

1.3. What provides counseling and other help to employees having emotional, physical and other personal problems?

1. employee assistance programs
2. Drug Free Workplace Act
3. OSHA
4. wellness programs

1.4. Which of the following is a funding feature of a health plan?

1. HMO coverage
2. PPO coverage
3. self-insurance
4. office visits

1.5. Total benefits cost (TBC):

1. is a ratio of benefit cost per employee to average number of employees
2. is exclusive of miscellaneous items such as education
3. includes staff time, overhead, processing costs
4. is not usually calculated because it varies so much

1.6. Similarity in pay for jobs requiring comparable level of knowledge, skill, and ability, even where actual job duties differ significantly is the:

1. Equal Pay
2. Pay Equity
3. Paycheck Fairness Act
4. None of the above

1.7. An incumbent who is paid below the range set for the job:

1. red-circled employee
2. green-circled employee
3. blue-circled employee
4. None of the above

1.8. Variable pay is also known as:

1. incentives
2. group pay
3. performance pay
4. B and C

1.9. A security benefit voluntarily offered by employers to employees who lose their job:

1. COBRA
2. Severance pay
3. Unemployment compensation
4. Supplemental Pay

1.10. Which of the following categories is not an example of an exempt classification?

1. Executive
2. Sales
3. Professional
4. Technical

Total: 100

