

BONDO UNIVERSITY

UNIVERSITY EXAMINATIONS 2013/2014

**FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION**

(BUSIA LC)

COURSE CODE: ABA 334: COMPENSATION MANAGEMENT

DATE:

DURATION: 2 HOURS

INSTRUCTIONS

1. This paper contains five (5) questions
- 2 Answer question **one** and **ANY** other 2 questions
3. Write all answers in the booklet provided.

Q1. (a)What is employee compensation (4 marks?)

(b) Identify and explain four factors that influence organizations' pay system (10 marks)

(c) Outline forms of compensation an employee would expect (10 marks)

(d) Explain social roles salaried employment play on the employees.(6 marks)

2. (a) What is wage? (2 marks)

(b) Outline the main characteristics of wages. (8 marks)

(c)What are the key aspects that distinguish salary from wages? (10marks)

3. Outline the key roles an HRM should play in ensuring effective pay system (20 marks)

4. Fringe benefits have become part of modern employee compensation

(a) What is a fringe benefit (2 marks)

(b) Distinguish between statutory and non – statutory benefits giving examples (10 marks)

(c) What are the employers' liabilities in the event of termination of an employee's engagement during down-sizing? (8 marks)

5. (A) What is employee turnover (2 marks?)

(b) State some of the factors that contribute to labour turn-over (10 marks)

(c) Explain how the nature of compensation affects labour turn over rate (8 marks)

