



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY  
SCHOOL OF BUSINESS AND ECONOMICS SEPTEMBER - DECEMBER 2022**

**KISUMU CAMPUS**

**SEPTEMBER - DECEMBER 2022**

**BACHELOR OF BUSINESS ADMINISTRATION BBA – HRM**

**YEAR 3 SEMESTER 2**

**COURSE CODE: BAB 1340**

**COURSE TITLE: COMPENSATION MANAGEMENT**

**DATE: 15/12/2022**

**SESSION: 9.00-11.00AM**

**TIME: 2 HOURS**

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**INSTRUCTIONS:**

- 1. Answer QUESTION ONE and any other 2 questions**
  - 2. Candidates are advised not to write on the question paper**
  - 3. Candidates must hand in their answer booklets to the invigilator while in the examination room.**
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## **QUESTION ONE**

- i. Explain briefly the importance of fair compensation (3 Marks)
- ii. What are the benefits of job evaluation (4 Marks)
- iii. Mention the different types of compensation (2 Marks)
- iv. Compensation systems are designed and managed to attain certain objectives in any company. Discuss three objectives of a compensation system in an organization.
- v. Distinguish between salary and wages (10 Marks)
- vi. What are fringe benefits? Explain the benefits of fringe benefits (4 Marks)
- vii. Distinguish between performance management and performance appraisal(4 Marks)
- viii. State the three theories of wages (3 Marks)

## **QUESTION TWO**

- i. What is the role compensation and reward in modern organization? (10 Marks)
- ii. Compensation Management is in essence a way of exchanging values between an organization and the employees. Discuss why it is more effective for an organization to pay for performance rather than pay the job. (10 Marks)

## **QUESTION THREE**

- i. Discuss the personal factors affecting Employee satisfaction(10 Marks)
- ii. Compensation or rewards (incentives) can be classified into two briefly discuss. (10 Marks)

## **QUESTION FOUR**

- i. Organisations usually give additional financial rewards related to performance, skill, competence or experience. Briefly discuss some additional pay to employees(10 Marks)
- ii. Discuss the Job Evaluation Process (10 Marks)

## **QUESTION FOUR**

- i. Examine the components of the reward system (10 Marks)
- ii. Discuss the seven criteria to judge the effectiveness of compensation (10 Marks)