

Enrollment No./Seat No.:

GUJARAT TECHNOLOGICAL UNIVERSITY
BBA - SEMESTER - V EXAMINATION - WINTER 2025

Subject Code: 1550108

Date: 24-11-2025

Subject Name: Performance Management and Compensation

Time: 10:30 AM to 1:00 PM

Total Marks: 70

Instructions

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

	Marks
Q.1 Attempt Any 7	14
(a) Performance Management System	
(b) Performance Appraisal	
(c) 360 degree Feedback	
(d) Compensation	
(e) Profit Sharing Plan	
(f) Incentive Plans	
(g) MBO	
(h) Employee benefits	
Q.2 Multiple Choice Questions (All Compulsory)	14
(1) 1. Performance Management is a _____ process	
a) One-time	
b) Continuous	
c) Monthly	
d) Occasional	
(2) 2. The main objective of a Performance Management System is to _____.	
a) Punish employees	
b) Align individual goal with organizational goals	
c) Increase workload	
d) Replace managers	
(3) 3. Performance Appraisal is usually done _____.	
a) Once a day	
b) Once a year	
c) Once a week	
d) Never	

- (4) Which of the following is a modern method of performance appraisal?
- a) Ranking method
 - b) Graphic rating scale
 - c) 360-degree feedback
 - d) Checklist method
- (5) Which of the following is a traditional method of performance appraisal?
- a) MBO
 - b) BARS
 - c) Critical Incident Method
 - d) Ranking Method
- (6) Documentation in performance appraisal helps in _____.
- a) Increasing paperwork only
 - b) Keeping records and reducing bias
 - c) Reducing employee performance
 - d) Avoiding communication
- (7) Performance feedback is important because it _____.
- a) Creates confusion
 - b) Helps employees improve
 - c) Reduces morale
 - d) Delays promotion
- (8) e-PMS stands for _____.
- a) Electronic Performance Management System
 - b) Easy Pay Management System
 - c) Employee Pay Monitoring Software
 - d) Electronic Payroll Maintenance Sheet
- (9) Compensation refers to _____.
- a) Only the salary
 - b) Rewards given to employees for their services
 - c) Only promotions
 - d) Job transfers
- (10) Basic Pay, DA, and Allowances are part of _____.
- a) Compensation Components
 - b) HR Planning
 - c) Job Analysis
 - d) Training
- (11) Incentives are generally linked with _____.
- a) Seniority
 - b) Performance
 - c) Attendance only
 - d) Random selection

(12) Profit Sharing Plan motivates employees by _____.

- a) Giving a share in company profits
- b) Increasing workload
- c) Reducing pay
- d) Limiting benefits

(13) ESOP stands for _____

- a) Employee Share Ownership Plan
- b) Employee Salary Option Program
- c) Employer Savings Operation Plan
- d) Employee Service Offer Plan

(14) Non-monetary benefits include _____.

- a) recognition
- b) Bonus and overtime
- c) DA and HRA
- d) Profit sharing

Q.3 (a) Explain the process of Performance Appraisal and discuss the significance of each step in ensuring fair evaluation of employees. **07**

(b) As an HR manager, how would you handle a situation where an employee disagrees with their performance rating during the appraisal interview? **07**

OR

(a) Discuss the difference between Traditional and Modern methods of Performance Appraisal. Give examples of each and highlight their advantages and disadvantages. **07**

(b) Suppose you are introducing a 360-Degree Feedback System in your organization. Explain how you would implement it effectively to ensure fairness, transparency, and employee acceptance. **07**

Q.4 (a) Define Compensation and explain its classification and types with suitable examples. **07**

(b) As an HR executive, how would you determine the appropriate compensation for a new employee joining your organization? **07**

OR

(a) Explain the components of remuneration, including basic pay, dearness allowance, and other allowances **07**

(b) Discuss how compensation can be used as a retention strategy to reduce employee turnover in an organization **07**

Q.5 (a) Explain the concept of Performance-Based Pay Systems and discuss their advantages and limitations. **07**

(b) What are Incentive Plans? Describe the features of an effective incentive plan in an organization **07**

OR

- (a)** Discuss different types of Incentive Plans such as Gain Sharing, Profit Sharing, and ESOPs with suitable examples. **07**
- (b)** Explain the concept of Perceptions of Pay Fairness and describe the legal constraints on pay systems in compensation management. **07**
