

**FINAL EXAMINATION****BACHELOR OF BUSINESS ADMINISTRATION (HONOURS)
HUMAN RESOURCE MANAGEMENT****COURSE : COMPENSATION AND BENEFITS /
COMPENSATION MANAGEMENT****COURSE CODE : HRM4193/HRM4053****DURATION : 3 HOURS****INSTRUCTIONS TO CANDIDATES:**

1. This question paper consists of **TWO (2)** parts : PART A (4 questions)
: PART B (3 questions)
2. Answer ALL questions from Part A and Part B.
3. Please check to make sure that this examination pack consists of:
 - i. The Question Paper
 - ii. An Answer Booklet
4. Do not bring any material into the examination hall. Electronic calculator is allowed.
5. Please write your answer using permanent ink.

MYKAD NO./ PASSPORT NO. : _____
ID. NO. : _____
LECTURER : _____
SECTION : _____

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

This question paper consists of 3 printed pages including the front page

PART A: STRUCTURED

Instruction: Answer ALL questions.

1. Interpret **FOUR (4)** components of policy in the Pay Model. (10 marks)
2. Before designing a pay structure, it is advisable for the employer to conduct market survey. Explain **FIVE (5)** reasons for conducting a market survey. (10 marks)
3. Describe **FIVE (5)** common issues that employers may face while planning and structuring an employee benefits package. (10 marks)
4. Top-down budgeting begins with an estimate of the pay increase budget from the organization's executive leadership. Justify **FIVE (5)** factors that influence the decision to increase the average pay level for the next period. (10 marks)

(TOTAL: 40 MARKS)

PART B: ESSAY

Instruction: Answer ALL questions.

1. Demonstrate **FOUR (4)** purposes competency-based structure in supports organizational effectiveness. Provide relevant workplace examples to show how these purposes can be applied in practice.
(20 marks)
2. Discuss **FIVE (5)** major decisions that need to be considered when designing a pay structure.
(20 marks)
3. Mr. Afiq is employed as a Digital Marketing Manager at company based in Johor with an annual salary of RM 84,000. Based on Table 1, he has received an excellent performance rating this year. Using both merit pay and lump sum bonus methods, calculate his new base pay and bonus payout.

Then, apply your understanding of compensation practices to compare both methods and explain which one would be more beneficial from the company's perspective.

	Excellent	Very Satisfactory	Satisfactory	Unsatisfactory	Very Unsatisfactory
Performance Rating	5	4	3	2	1
Percentage Payout (%)	9%	6%	3%	1%	0%

Table 1: Merit Increase

(20 marks)

(TOTAL: 60 MARKS)
(TOTAL: 100 MARKS)

END OF QUESTION PAPER

