

2015
MBA
Paper : 3.8

**PERFORMANCE AND COMPENSATION
MANAGEMENT / QUALITY MANAGEMENT**

Full Marks : 70

Time : 3 hours

Answer from the Group offered by you

**GROUP : A : PERFORMANCE AND
COMPENSATION MANAGEMENT**

The figures in the margin indicate full marks for the questions

SECTION A

Answer any five:

2x5=10

1. Define Performance Management 2.
2. What are the two main types of financial compensation? 2
3. How is Employee salary calculated? 2
4. What do you mean by Fringe Benefits? 2
5. What is Employee Share Option Plan (ESOP)? 2
6. Define Basic Pay. 2
7. What is PPF? 2

SECTION B

Answer any five:

4x5=20

1. Explain the distinction between Traditional and Modern (Systems) approach to Performance Appraisals. 4
2. 360 degree appraisal has four integral components. What are they explain with a diagram? 4
3. What are the nature and scope of Compensation? 2+2
4. Discuss the various modes of compensation. 4
5. Explain the concept of Financial and Non-financial Incentives. 2+2
6. Explain the concept of Pay by Seniority. 4
7. What are the different methods of paying Dearness Allowance? 4

SECTION C

Answer any four:

8x4=32

1. Explain the MBO process with a diagram. 8
2. Describe the pitfalls or weakness of Performance Appraisal. 8
3. Why is employee's compensation or reward system important? 8
4. Describe Wage differentials and its types. 2+6
5. What are the advantages and disadvantages of Individual Incentives? 4+4
6. Discuss the different types of Pay for Performance. 8

(2)

P.T.O.

7. Elaborate the elements of Executive Compensation with the help of a diagram. 8

SECTION D

CASE STUDY

(Compulsory Question carrying 8 marks)

AMBER PHARMACEUTICALS

In a pharma company manufacturing and marketing drugs and medicines, the research staff has developed a number of new products and formulations which are effective. But at the same time it has to meet severe competition from stalwarts with foreign collaboration. Mr. Shah, the Vice President Marketing has a very successful Pharma Marketing background. He has been with the company for the past 4 years. Mr. Shah had made ambitious plans for capturing sizeable share of market in the Gujarat State. The company being medium sized, Mr. Shah had kept his marketing department and the marketing team lean and trim. The field sales staffs were given aggressive targets and were virtually pushed to reach the respective targets. The field staff worked to their best abilities to compete their respective targets. Mr. Shah had himself been working hard almost 11- 12 hours a day.

There was no formal appraisal and reward system in the company. During last 5 years more than 60 Medical Representatives and the Area Supervisors had left the company due

(3)

P.T.O.

to unsatisfactory increments and promotions. Those who left the company were star works. But Mr. Shah did not care for this high turnover. He was over confident that he would be able to hire fresher and also select candidates who were not happy with their remuneration in their respective company. Mr. Shah had never communicated to the field sales staff about their performance or reasons for not recognizing their outstanding performance in a few cases. There was on the whole a great dissatisfaction and good performers were leaving the company.

Questions:

1. What do you perceive is the basic problem in 'AMBER'? 2
2. In the event of your suggesting a Performance Appraisal System, how will you decide a suitable system of appraisal? Will your system include merit, rewards and promotions? 6

GROUP : B : QUALITY MANAGEMENT

- A All questions are compulsory
- 1 Define strategic quality management 2
 - 2 Distinguish between functional and generic benchmarking. 2
 - 3 What are various control charts for attributes and variables? What is process capability? 1+1
 - 4 Define reliability, availability and maintainability. Explain their significance in product/process development 2

(4)

- 5 Explain the term quality culture 2
- B Answer any five from the following
- 1 What is QFD? How does it help in prioritising customers requirements into manufacturing process. 4
 - 2 Explain the statistical meaning of six sigma. 4
 - 3 Explain the main features of quality audit 4
 - 4 Distinguish between Kaizen and innovation with an example 4
 - 5 What is poka-yoke? Describe the zero quality control programme. 4
 - 6 Discuss customer perception of quality 4
 - 7 Explain the following 4
 - a. Historical evolution of TQM
- C Answer any five from the following
- 1 Briefly describe the purpose of ISO 9000 quality system 8
 - 2 How do you define TQM? Explain the TQMEX model 8
 - 3 Discuss the typical applications of the 'Seven Statistical Quality Control Tools' in quality improvement. 8
 - 4 Explain Jurans trilogy. How does it help the manufacturing process 4+4
 - 5 Describe the various steps involved in the re-engineering process. 8
 - 6 The number of defectives found in inspection of 10 lots of 100 items each is shown in table below. 2
No. of defectives

(5)

P.T.O.

Lot No.	1	2	3	4	5	6	7	8	9	10
No. of defectives	7	2	1	5	3	0	12	4	2	3

Determine the controlled limits for p chart, and state whether the process is under control.

7 Discuss eight principles of JIT 4+4

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