



(Knowledge for Development)

**UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR
SECOND YEAR FIRST SEMESTER
MAIN EXAMINATION**

FOR THE DIPLOMA IN BUSINESS MANAGEMENT

COURSE CODE: DHR 101

COURSE TITLE: COMPENSATION MANAGEMENT

DATE: 13/04/2023 TIME: 9:00-11:00 AM

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

- 1) Answer Question **ONE**(Compulsory) and **ANY OTHER TWO** Questions
 - 2) Candidates must hand in their answer booklets to the invigilator while in the examination room
 - 3) Credit is given for legibility, clarity and use of relevant examples
 - 4) Question **ONE** is **30 marks** while Questions **2-5** carry **20 marks** each
 - 5) Clearly write your **Registration Number** on each answer sheet used
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TIME: 2 Hours



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Question One

- a) Write notes on the following
- (i) Fringe benefits
 - (ii) Incentives
 - (iii) Overtime wages
 - (iv) Profit sharing
 - (v) Performance appraisal (10 Marks)
- b) Why is sales force provided with Salary and Commission? (6 Marks)
- c) Distinguish between Wages and Salaries (4 Marks)
- d) As an employer, describe with reasons some of the factors you would consider when coming up with a compensation plan/ policy (10 Marks)

Question Two

- a) Describe in detail the purposes of performance Appraisal to both the employer and the employee. (10 Marks)
- b) Elucidate on some of the non monetary compensation options available for accompany in Kenya (10 Marks)

Question Three

- a) Companies are more scrutinized than they have been historically by Shareholders, government and public for how much they pay their people. Analyze this statement (10 Marks)
- b) Enumerate and explain briefly any five types of compensations offered by employers to employees

Question Four

- a) Describe any five methods of performance Appraisals (10Marks)
- b) As an employer describe in detail the various options of Job evaluation methods that are available for you to analyse and use for your employees. (10 Marks)

Question five

- a) What are Non – wage incentives? What role do they play in promoting workers' efficiency?
- b) Describe some of the barriers to effective goal-setting and appraisal (10 Marks)

