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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA
(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA IEV

SEM: III - THEORY EXAMINATION (2025 - 2026)

Subject: Compensation and Performance Management

Time: 3 Hours

Max. Marks: 100

General Instructions:

IMP: Verify that you have received the question paper with the correct course, code, branch etc.

1. This Question paper comprises of **three Sections -A, B, & C**. It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.

2. Maximum marks for each question are indicated on right -hand side of each question.

3. Illustrate your answers with neat sketches wherever necessary.

4. Assume suitable data if necessary.

5. Preferably, write the answers in sequential order.

6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

SECTION-A

20

1. Attempt all parts:-

- 1-a. A 360-degree appraisal include _____. (CO1, K1) 1
- (a) Feedback from managers only
- (b) Feedback from customers only
- (c) Feedback from external stakeholders only
- (d) Feedback from multiple sources, including peers, subordinates, and managers
- 1-b. Bonuses, commissions, and incentives fall into the category of _____. (CO1,K1) 1
- (a) Fixed pay
- (b) Variable pay
- (c) Statutory pay
- (d) Indirect pay
- 1-c. _____ is a traditional method of performance appraisal. (CO2, K1) 1
- (a) BARS
- (b) 360-degree feedback
- (c) Graphic rating scale
- (d) Competency mapping
- 1-d. Incentive plans are designed to _____. (CO2,K1) 1
- (a) Reduce employee effort
- (b) Improve motivation and performance
- (c) Standardize job roles
- (d) Limit pay
- 1-e. _____ is not the purpose of performance reviews in PMS. (CO3, K1) 1

- (a) Goal clarity
- (b) Lack of employee participation
- (c) Effective communication
- (d) Use of modern tools
- 1-f. Pension plans fall under _____. (CO3,K1) 1
- (a) Short-term incentives
- (b) Retirement benefits
- (c) Perquisites
- (d) Non-monetary benefits
- 1-g. A key objective of performance management is _____. (CO4,K1) 1
- (a) Reducing employee count
- (b) Enhancing organizational results
- (c) Increasing paperwork
- (d) Limiting career growth
- 1-h. A feature of a good appraisal system is _____. (CO4,K1) 1
- (a) Bias
- (b) Reliability
- (c) Fear generation
- (d) Confusion
- 1-i. The first stage in the appraisal process involves _____. (CO5,K1) 1
- (a) Rating
- (b) Planning
- (c) Rewarding
- (d) Penalizing
- 1-j. _____ is an example of clear feedback. (CO5,K1) 1
- (a) Your presentation skills need improvement specifically in clarity and organization.
- (b) Improve yourself
- (c) Do better
- (d) Be clear
2. Attempt all parts:-
- 2.a. Define compensation. (CO1,K1) 2
- 2.b. List two types of incentive plans used for team performance. (CO2,K1) 2
- 2.c. Define a Performance Management System (PMS). (CO3,K1) 2
- 2.d. State two advantages of a structured appraisal system. (CO4,K1) 2
- 2.e. List two limitations of the Grading method. (CO5,K1) 2

SECTION-B

30

3. Attempt all parts:-

3.a. Answer any one of the following:-

- 3.a.(i) Explain compensation as a retention strategy in modern organisations. (CO1,K2) 6
- 3.a.(ii) Discuss the contribution of performance-based pay systems to employee 6

motivation. (CO1,K2)

3.b. Answer any one of the following:-

3.b.(i) Explain the advantages of MBO (Management by Objectives). (CO2, K2) 6

3.b.(ii) Describe the role of incentive plans in achieving organisational objectives.(CO2,K2) 6

3.c. Answer any one of the following:-

3.c.(i) Describe the role of Balanced Scorecard approach in linking performance measurement to strategic goals. (CO3,K2) 6

3.c.(ii) Examine how performance standards are set in PMS and their importance in measuring employee success. (CO3,K4) 6

3.d. Answer any one of the following:-

3.d.(i) Analyze the role of technology in modern performance appraisal systems. (CO4,K4) 6

3.d.(ii) Discuss essential features of a well-designed performance review process. (CO4,K2) 6

3.e. Answer any one of the following:-

3.e.(i) Explain the use of Key Performance Indicators (KPIs) in measuring employee performance. (CO5,K2) 6

3.e.(ii) Explain the significance of employee participation in organisational success. (CO5, K2) 6

SECTION-C 50

4. Answer any one of the following:-

4-a. Discuss the role of 360-degree feedback in improving employee performance and organisational culture. (CO1,K2) 10

4-b. Differentiate between Direct Compensation and Indirect Compensation. (CO1,K4) 10

5. Answer any one of the following:-

5-a. Describe the benefits of ESOPs for employees in an organisation. (CO2,K2) 10

5-b. Compare and contrast the Enterprise Incentive Plan with the Profit Sharing Plan, highlighting their respective features. (CO2,K4) 10

6. Answer any one of the following:-

6-a. Analyse the strategic relationship between organisational goals and reward systems. (CO3,K4) 10

6-b. Explain the impact of monetary and non-monetary benefits on employee engagement. (CO3,K2) 10

7. Answer any one of the following:-

7-a. Define SMART goals and elaborate how they are implemented in a performance management system to achieve desired results. (CO4,K2) 10

7-b. Differentiate between performance management and performance appraisal. (CO4,K4) 10

8. Answer any one of the following:-

8-a. Explain any two modern methods of performance appraisal. (CO5,K2) 10

- 8-b. "An e-PMS (Electronic Performance Management System) is a digital tool that streamlines and centralises employee performance processes—such as goal-setting, feedback, reviews, and progress tracking—to align individual work with company goals and support fair, data-driven decisions on rewards and talent management system". Comment. (CO5,K4)

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