Chapter-1: Compensation Management
Self Assessment Questions

1. ………………….. refers to all forms of pay or rewards going to employees and arising from their employment.
   a. Reimbursement
   b. Employee compensation
   c. Salary
   d. Benefits

2. Direct financial payments include all of the following except ……………….
   a. wages
   b. insurance
   c. salaries
   d. incentives

3. Which of the following is categorized as an indirect payment portion of employee compensation?
   a. wages
   b. salaries
   c. employer-paid insurance
   d. commissions

4. Leaders need to watch for opportunities for new products and services and position the company to succeed in a competitive environment.
   a. True
   b. False

5. Which of the following factors affects the design of any pay plan?
   a. union
   b. company policy
   c. equity
   d. all of these

6. Which law allows the secretary of labor to set wage rates for laborers and mechanics employed by contractors working for the federal government?
   a. Davis-Bacon Act
b. Walsh-Healey Public Contract  
c. Fair Wages Act  
d. Civil Rights Act

7. Pay-for-performance should not be considered a quick fix for an ailing compensation program or waning company morale.  
   a. True  
   b. False

8. Which compensation-related law contains minimum wage, maximum hours, overtime pay, equal pay, and child labor provisions?  
   a. Walsh-Healey Public Contract  
   b. Fair Wages Act  
   c. Civil Rights Act  
   d. Fair Labor Standards Act

9. Which of the following is addressed by the Fair Labor Standards Act?  
   a. minimum wage  
   b. maximum hours  
   c. child labor  
   d. all of these

    a. manufacturing  
    b. retailing  
    c. agriculture  
    d. all of these

11. Which law makes it illegal to discriminate against any individual with respect to compensation because of race, color, religion, sex, or national origin?  
    a. Fair Labor Standards Act  
    b. Civil Rights Act  
    c. Employee Retirement Income Security Act  
    d. Equal Pay Act
12. According to the Fair Labor Standards Act, if a worker covered by the act works more than 40 hours, he or she will receive overtime pay at a rate of ………….. of normal pay for any hours worked over 40 in a workweek.

   a.  50%
   b.  100%
   c.  125%
   d.  150%

13. Jack worked 6 hours of overtime this week but has decided to take time off instead of overtime pay. How many hours will Jack get off?

   a.  3 hours
   b.  6 hours
   c.  9 hours
   d.  12 hours

14. Which of the following occupations must adhere to overtime and minimum pay provisions stated in the Fair Labor Standards Act?

   a. paralegals
   b. pharmacists
   c. attorneys
   d. department heads

15. All of the following occupations are exempt from the overtime provisions stated in the Fair Labor Standards Act except …………………

   a. physicians
   b. dentists
   c. management trainees
   d. teachers

16. Whether or not a position is exempt from provisions including overtime pay in the Fair Labor Standards Act depends upon the ………….. associated with the job.

   a. job responsibilities
   b. job duties
   c. salary
   d. All of these
17. The ……………. states that employees of one sex may not be paid wages at a rate lower than that paid to employees of the opposite sex for doing roughly equivalent work.

a. American Disabilities Act  
b. Civil Rights Act  
c. Employee Retirement Income Security Act  
d. Equal Pay Act

18. Under which condition below is it acceptable for employees of the opposite sex to receive different pay for doing roughly equivalent work?

a. when the difference exists despite equal skills  
b. when the difference exists despite equal efforts  
c. when the difference exists despite similar responsibility  
d. when the difference exists because of a merit system

19. Which act provided for the creation of government-run employer-financed corporations to protect employees against the failure of their employer’s pension plan?

a. Fair Labor Standards Act  
b. Civil Rights Act  
c. Employee Retirement Income Security Act  
d. Equal Pay Act

20. ……………. refers to the ownership employees build up in their pension plan should their employment be terminated before retirement.

a. Portability  
b. Equity  
c. Vesting  
d. Unemployment

Answers for Self Assessment Questions

1. (b)  2.(b)  3.(c)  4.(a)  5.(d)  6. (a)  7.(a)  
8. (d)  9.(d)  10.(d)  11.(b)  12.(d)  13.(c)  14.(a)  
15. (c)  16.(d)  17.(d)  18.(d)  19.(c)  20. (c)
Chapter-2: Wage and Salary Administration

Self Assessment Questions

1. Employees in the railways are entitled of payment of wages Act, 1936 who are drawing wages and salaries below:-
   a. Rs. 2000/- a month
   b. Rs. 1500/- a month
   c. Rs. 1600/- a month
   d. Rs. 1800/- a month

2. Due to the paucity of relevant data on wage differentials, it is possible to analyze in India :
   a. Wage structure, Pay structure
   b. Wage structure
   c. Wage structure, Pay structure, Salary structure
   d. None of these

3. Documents useful for the purpose of wage analysis are:-
   a. Wage sheets, Payroll, Accounting registers
   b. Wage structure
   c. Wage structure, Pay structure, Salary structure
   d. None of these

4. There are many methods that an alive _______ management can creatively develop for employees rendered redundant through little forethought.
   a. E-HRD
   b. HRP
   c. HRD
   d. None of these

5. In Taylor differential piece rate system, high piece rate is applicable if ________.
   a. Output is above standard
   b. Input is above standard
   c. Input and Output is above standard
   d. None of these

5. In Compensation plans the following are taken into account :
   a. Cost of production, Reduction in expenses, Profits made
   b. Reduction in expenses, Profits made, Cost of production
   c. Profits made, Cost of production, Reduction in expenses
d. None of these

6. Minimum wages are not to be fixed in an industry which employs less than how many employees in the entire state?
   a. 2000
   b. 1000
   c. 900
   d. 3000

7. Co-partnership system tries to:-
   a. Eliminate friction between capital and labor
   b. Gives fixed share to workers
   c. Reduction in expenses, Profits made, Cost of production
   d. Profits made, Cost of production, Reduction in expenses

8. Apart from salaries, IT employees are giving importance to:-
   a. Job content, Job security, Company image
   b. Job security, Company image, Foreign trips
   c. Company image, Foreign trips, Job security
   d. Job security, Company image, Foreign trips

9. Major components of compensation :-
   a. Salary, Basic salary, Consolidated salary
   b. Consolidated salary, Salary, Basic salary
   c. Consolidated salary, Basic salary, Salary
   d. None of these

10. The wages of workers not present at the time of payment disbursement should be entered into ________.
    a. disbursed wage register
    b. undisbursed wage register
    c. wage register
    d. None of these

11. Components of wage & salary are:-
    a. Overtime wage, Dearness allowance, Basic wage
12. Basic purpose of Wage and Salary administration is to establish and maintain an equitable:
   a. Wage and Salary structure
   b. Wage
   c. Salary structure
   d. None of these

13. Performance standards & norms for incentive payments should be set up high for better results.
   a. True
   b. False

14. To maintain best manpower in the organization, Management Incentive Plan based on the individual performance is necessary.
   a. True
   b. False

15. ______ had a decisive influence on the wage structure & wage level.
   a. Market focus
   b. Managerial attitude
   c. Wage
   d. Salary structure

16. Wage and salary administration should be controlled by some proper agency.
   a. True
   b. False

17. Wage & salary are also subject to a variety of legislation & in this context, compliance with existing legislative measure is very important.
18. Source documents for preparations of wages are :-
   a. Yearly sheet
   c. Attendance register.
   d. None of these

19. In high profit making organization compensation paid is relatively:-
   a. Lower
   b. Higher
   c. Medium
   d. None of these

20. If the employment is merely incidental to the exercise of a profession, the gains from such employment would be:-
   a. Employee earnings
   b. Earnings
   c. Professional earnings
   d. None of these

Answers for Self Assessment Questions
1. (c) 2. (c) 3. (a) 4. (c) 5. (a) 6. (b) 7. (a) 8. (a) 9. (a) 10. (b) 11. (c) 12. (a) 13. (b) 14. (b) 15. (a) 16. (b) 17. (a) 18. (b) 19. (b) 20. (c)
Chapter-3: Planning for Improved Competitiveness
Self Assessment Questions

1. Which of the following is NOT correct?

The emergence of the Internet:

a. enhanced the inter-connectivity of numerous terminals and applications.
b. empowered the global networking and promotion of tourism organisations globally.
c. enabled GDSs to strengthen their position in the tourism distribution system.
d. enabled individuals and organisations to access a plethora of multimedia information.

2. Strategic information systems aim to:

a. improve competitiveness by changing the nature or conduct of business.
b. develop intra- and inter-organizational networking.
c. increase management effectiveness by satisfying the organizational information requirements.
d. improve operational efficiency by automating information based processes.

3. For ICTs to be successful the following prerequisites are essential:

a. re-engineering of business processes.
b. long term planning and strategy as well as top management commitment.
c. rational management and development of hardware and software.
d. all of the above.

4. Which of the following is NOT correct?

Extranets:

a. empower the cooperation between partners.
b. improve the interactivity between tourism production and distribution partners.
c. compromise the security and confidentiality of individual organizations.
d. enable a certain degree of transparency and interactivity between collaborating organizations.

5. Which of the following is the most significant reason for the inability of SMEs to utilize ICTs?
a. Insufficient marketing and technology training and understanding.
b. Lack of standardization and professionalism.
c. The unwillingness of proprietors to follow the ICT developments.
d. They lack of capital for purchasing hardware and software.

6. What is the main reason for travel agencies reluctance to take full advantage of the ICTs?
   a. Low profit margins which prevents investments.
   b. Deficient ICTs expertise and understanding.
   c. Focus on human interaction with consumers.
   d. A limited strategic scope and inability to modernize.

7. Which of the following is NOT a GDS benefit?
   a. Improves control by integrating intelligent applications that cover the entire travel agency business processes.
   b. Saves time by providing single screen access to all the travel, client and agency information.
   c. Uses the internet to identify suitable tourism products.
   d. Increase productivity by making on-screen information easy to find and understand.

8. Netware is the:
   a. equipment and software required to develop and support a network or an interconnected system of computers, terminals and communication channels and devices.
   b. physical equipment such as mechanical, magnetic, electrical, electronic or optical devices.
   c. prewritten detailed instructions that control the operation of a computer system or of an electronic device.
   d. communication tools, such as email, voice mail, fax, videoconferencing that foster electronic communication and collaboration among groups.

9. Hotel chains such as Hilton Hotels aim to:
   a. maximise the bookings they receive on their web sites.
   b. develop links with other members of the tourism value chain.
c. develop a multi-channel strategy that will assist them to optimize their yield.
d. maximize bookings through hotel distributors such as hotels.com and Pegasus.

10. Which are the top European online travel markets?
   a. Germany and UK.
   b. Spain, Italy and Greece.
   c. France and Belgium.
   d. Finland and Norway.

11. NAFTA seeks to
   a. substitute cheap labor in Mexico for expensive labor in the United States
   b. curb illegal immigration from Mexico to the United States
   c. phase out all trade and tariff barriers between the United States and Mexico
   d. phase out all trade and tariff barriers between the United States, Canada, and Mexico

12. Which of the following are typical of the Critical Success Factors used for international facility location decisions?
   a. availability of technology
   b. economic factors
   c. culture and ethics
   d. all of the above

13. Which of the following is true regarding Critical Success Factors (CSFs)?
   a. The list of critical success factors is the same from one organization to another.
   b. Use of CSFs is one method of determining the country in which to locate a new facility.
   c. The critical success factors must be weighted equally.
   d. Critical Success Factors are relevant for strategic planning, but not for Global Operations.

14. Which of the following are not typical of the Critical Success Factors used for international facility location decisions?
a. political and legal factors
b. location planning
c. economic factors
d. culture and ethics

15. Which of the following represent issues of culture and ethics in international operations?
   a. supplier punctuality
   b. employee stealing
   c. protection of intellectual property rights
   d. all of the above are culture and ethics issues

16. Which of the international operations strategies involves high cost reductions and high local responsiveness?
   a. International strategy
   b. Global strategy
   c. Transnational strategy
   d. Multidomestic strategy

17. Which of the international operations strategies involves low cost reductions and low local responsiveness?
   a. International strategy
   b. Global strategy
   c. Transnational strategy
   d. Multidomestic strategy

18. Which of the international operations strategies uses import/export or licensing of existing products?
   a. International strategy
   b. Global strategy
   c. Transnational strategy
   d. Multidomestic strategy
19. Which of the international operations strategies uses the existing domestic model globally?

a. Global strategy  
b. Transnational strategy  
c. Multidomestic strategy  
d. None of the above

20. Nestlé is described in the textbook as a ................. firm.

a. domestic  
b. global  
c. subsidiary  
d. transnational

Answers for Self Assessment Questions

1. (c)  2.(a)  3.(d)  4.(c)  5.(c)  6. (d)  7.(c)
8. (a)  9.(c)  10.(a)  11.(d)  12.(d)  13.(b)  14.(b)
15. (d)  16.(c)  17.(a)  18.(a)  19.(d)  20. (d)
Chapter-4: Incentives and Fringe Benefits
Self Assessment Questions

1. Which of the following is not an objective of wage incentive programmes?
   a. Developing ownership interest
   b. Improving employee retention
   c. Reducing labor cost
   d. Facilitating the separation of employees

2. When the same rate of incentives is paid to the employees for each unit of goods produced by them, it is called
   a. Straight piece rate
   b. Differential piece rate
   c. Task and time bonuses
   d. None of the above

3. When more than one piece rate is offered to the individuals for goods produced by them, it is called
   a. Straight piece rate
   b. Differential piece rate
   c. Priestman bonus plan
   d. None of the above

4. Which of the following methods discourages too much speed in the production by the employees?
   a. Straight piece rate
   b. Differential piece rate
   c. Task and time bonuses
   d. None of the above

5. Evaluating the relative worth of the employees in the organization and then deciding the awards for them is called
a. Merit rating  
b. Differential piece rate  
c. Task and time bonuses  
d. Straight piece rate  

6. Which of following incentive systems recommends a two-piece rate for wage determination?  
   a. Merrick multiple piece rate plan  
   b. Taylor’s differential piece rate plan  
   c. Emerson efficiency plan  
   d. Gnatt task and bonus system  

7. In which of the following methods is the standard time stated as minutes and points?  
   a. Bedeaux system  
   b. Barth variable incentive plan  
   c. Task and time bonus  
   d. None of the above  

8. Which of the following incentive plans has the following equation for computing the earnings of employees?  
   
   \[(\text{Actual hours worked} \times \text{Time rate}) + (\text{Actual time worked} / \text{Standard time}) \times \text{Time saved} \times \text{Time rate}\]  
   a. Emerson efficiency plan  
   b. Rowan incentive plan  
   c. Halsey incentive plan  
   d. Barth variable incentive plan  

9. Which of the following is not usually a group incentive plan?  
   a. Halsey incentive plan  
   b. Priestman bonus plan  
   c. Rucker incentive plan  
   d. Towne’s incentive plan  

10. Achieving cost saving not only on labor cost but also on overheads is the crux of
a. Towne’s incentive plan
b. Priestman bonus plan
c. Rucker incentive plan
d. Halsey incentive plan

11. In which method is the standard time expressed in terms of man-minutes called “MANT”?

a. Hayne’s incentive plan
b. Rowan incentive plan
c. Barth variable incentive plan
d. Bedeaux system

12. Which of the following is an example of fringe benefits?

a. Health and accident insurance
b. Contribution to superannuation funds
c. Leave facilities
d. All of the above

13. Linking pay to performance on production jobs is an example of

a. job enrichment.
b. wage incentive plans.
c. bonuses.
d. management by objectives (MBO).

14. All of the following are examples of core job characteristics except

a. compensation.
b. task identity.
c. job feedback.
d. skill variety.

15. The following are involved in job enrichment plans except

a. making feedback more desired.
b. enriching bonuses and fringe benefits.
c. forming work teams.
d. establishing client relationships.

16. Flex-time usually involves
   a. cutting the work hours.
   b. allowing workers to decide how many hours they care to work.
   c. cutting the work week to four days.
   d. allowing workers to choose when to arrive and when to leave.

17. MBO is most closely associated with which theory of work motivation?
   a. equity theory
   b. ERG theory
   c. Maslow’s need theory
   d. goal setting theory

18. The most widely used gain sharing plan is
   a. job enrichment.
   b. management by objectives.
   c. the Scanlon plan.
   d. scientific management.

19. Attempts to link pay to performance on white-collar jobs are often called
   a. job enrichment plans.
   b. merit pay plans.
   c. wage incentive plans.
   d. gain sharing plans.

20. Distant staffing is associated with
   a. job enrichment.
   b. job sharing.
c. flex-time.
d. telecommuting.

### Answers for Self Assessment Questions

1. (d) 2. (a) 3. (b) 4. (c) 5. (a) 6. (b) 7. (a)
8. (b) 9. (a) 10. (c) 11. (a) 12. (d) 13. (b) 14. (a)
15. (b) 16. (d) 17. (d) 18. (c) 19. (b) 20. (d)
1. The most commonly used reward in organizations is:
   a. Bonuses
   b. ESOPs
   c. Money
   d. Profit Sharing

2. A number of studies suggest that there are personality traits and demographic factors that correlate with an individual's attitude toward:
   a. Organizational life
   b. Management
   c. Money
   d. The organization

3. A survey of Canadian firms in 2004 by Hewitt Associates found that 34 percent of companies recognized individual or group achievements with cash or:
   a. Time off
   b. Merchandise
   c. Vacation packages
   d. Dinners

4. Bonuses are more likely to be viewed as one-time rewards for defined work rather than ongoing ......................
   a. Incentives
   b. Commissions
   c. Payment
   d. Entitlements

5. Gain sharing differs from profit-sharing in that:
   a. It focuses on productivity gains rather than profits.
b. It focuses on profits rather than productivity gains.
c. It rewards specific behaviors that are more influenced by external factors.
d. It rewards specific behaviors that are less influenced by internal factors.

6. Paying workers a fixed-sum for each unit of production completed is called:
   a. Piece-rate
   b. Profit sharing
   c. Bonuses
   d. Gain sharing

7. Programs that distribute compensation based on some established formula designed around a company's profitability are called:
   a. Bonuses
   b. Piece-rate
   c. Gain sharing
   d. Profit sharing

8. ESOP stands for:
   a. Employee stock option profits
   b. Employee sales options program
   c. Employee stock opportunities plan
   d. Employee stock ownership plan

9. Skill-based pay is valuable because it:
   a. Encourages team work.
   b. Can reduce the number of employees needed.
   c. Links organizational goals to team rewards.
   d. Motivates for improved performance.

10. The disadvantage of team-based pay is that:
    a. Earnings vary form year-to-year.
b. Equity problems could arise if all members are paid equally.
c. It can cause unhealthy competition.
d. Individuals do not always have control

11. A secondary group designed to achieve explicit objectives is also known as..........................
   a. a traditional organization
   b. a rationalized system
   c. a formal organization
   d. a virtual organization

   a. produced success that for many became a sign of God's approval
   b. became an outlet for the excess money of Calvinists
   c. is the investment of capital in the hopes of producing profits
   d. all of the above

13. According to Rosabeth Moss-Kanter, what is the nature of the corporate culture?
   a. The corporate culture determines an individual's corporate fate.
   b. The employees who work the hardest and are the most cooperative have the greatest likelihood of being promoted.
   c. The people with the best qualifications typically will rise to the top of an organization.
   d. all of the above

14. According to your text, what is the alienated bureaucrat likely to do?
   a. seek counseling to overcome the problem
   b. not do anything for the organization beyond what he or she is required to do
   c. quit his or her job once unhappiness and dissatisfaction sets in
   d. return to school for further training in order to move up in the organization

15. All of the following are characteristics of bureaucracy, except..........................
   a. a division of labour
b. a hierarchy with assignments flowing upward and accountability flowing downward
c. impersonality
d. written rules, communications and records

16. As a worker in a large corporation, Su Mei is often unhappy. At work she often feels that no one appreciates her and that the work she does is boring and repetitive. Which of the following best describes Su Mei's situation?
   a. alienation
   b. goal displacement
c. goal frustration
d. bureaucratic incompetence

17. Computers in the workplace .........................
   a. may be the first step toward a society in which every move a citizen makes is recorded
   b. have the potential to improve the quality of work life
c. could lead to more surveillance of workers by managers
d. all of the above

18. Dysfunctions of bureaucracies include....................
   a. alienation
   b. goal displacement
c. red tape
d. all of the above

19. George Ritzer used the term 'the McDonaldization of society' to refer to.........................
   a. the preference for McDonald's over Burger King
   b. the increasing rationalization of daily living
c. the spread of McDonald's restaurants worldwide
d. none of the above

20. How do workers resist alienation?
a. by forming primary groups
b. by praising each other and expressing sympathy when something goes wrong
c. by putting pictures and personal items in their work areas
d. all of the above

Answers for Self Assessment Questions

1. (c)  2.(c)  3.(b)  4.(d)  5.(a)  6. (a)  7.(d)  
8. (d)  9.(b)  10.(b)  11.(c)  12.(d)  13.(a)  14.(b)  
15. (b)  16.(a)  17.(d)  18.(d)  19.(b)  20. (d)  
Chapter-6: Incentives and Retirement Plans
Self Assessment Questions

1. These employees are well-educated, well-trained professionals who work to build and maintain long-term customer relationships by listening to their customers, assessing customer needs, and organizing the company's efforts to solve customer problems. Who are these employees?
   a. salespeople
   b. account development reps
   c. sales consultants
   d. district managers

2. Of the following, which is the least creative sales position?
   a. account executive
   b. account development rep
   c. order getter
   d. order taker

3. .................... involves two-way, personal communication between salespeople and individual customers—whether face-to-face, by telephone, through video or Web conferences, or by other means
   a. Integrated marketing communication
   b. Advertising
   c. Personal selling
   d. Persuasive selling

4. What is the role of a chief revenue, or chief customer, officer?
   a. to represent the company to customers
   b. to represent customers to the company
   c. to oversee both marketing and sales
   d. to oversee marketing

5. Of the three typical types of sales force structures, which one is often supported by many levels of sales management positions in specific geographical areas?
a. complex systems  
b. territorial  
c. product  
d. A and B

6. Which of the following is not a disadvantage of a product sales force structure?
   a. salespeople spending time to see the same customer's purchasing agents  
   b. increased customer delivery time  
   c. overlapping use of resources with big customers  
   d. extra selling costs involved with multiple sales visits from separate divisions

7. Members of a company’s....................... travel to call on customers in the field.
   a. inside sales force  
   b. complex sales force  
   c. customer sales force  
   d. outside sales force

8. Which activity is not typical for a sales assistant?
   a. complete administrative tasks  
   b. call ahead and confirm appointments  
   c. provide technical support  
   d. answer customers' questions

9. In many cases today, a major reason to adopt team selling stems from changes in......................
   a. rising costs  
   b. customers' buying organizations  
   c. technological capabilities  
   d. fewer skilled salespeople

10. All of the following are problems associated with the poor selection of salespeople except which one?
a. less office support
b. disrupted customer relationships
c. costly turnover
d. lower sales

11. Sales applicants are typically not tested for...........................
a. personality traits
b. sales aptitude
c. organizational skills
d. accounting skills

12. A salesperson's compensation plan is typically made up of several elements--a fixed amount,.........................., expenses, and fringe benefits.
a. a variable amount
b. retirement
c. recognition
d. nonmonetary rewards

13. Which sales management tool shows a salesperson which customers and prospects to see during the next 12 months and in which months, as well as which activities to carry out?
a. time-and-duty analysis
b. annual call plan
c. sales force automation systems
d. positive incentives plan

14. Which of the following is an advantage created by the use of a sales force automation system?
a. Salespeople can develop a stronger organizational climate.
b. There is less need for an inside sales force.
c. The cost of training the sales force is less expensive.
d. Salespeople can more effectively and efficiently schedule sales calls and make presentations.
15. Your sales force is able to easily assess their opportunities within the firm. This feeling describes your firm’s
   a. sales structure
   b. technical support
   c. organizational climate
   d. prospecting

16. Management sets standards that state the amount each salesperson should sell and how sales should be divided among the company's products with
   a. sales contests
   b. sales goals
   c. sales quotas
   d. sales incentives

17. Which of the following is an example of a positive incentive that management might use to motivate the sales force?
   a. organizational climate
   b. sales meetings
   c. expense reports
   d. weekly call plans

18. A is a salesperson's write-up of his or her completed sales activity.
   a. sales report
   b. time-and-duty analysis
   c. call plan
   d. call report

19. The first step in the selling process is
   a. presentation
   b. approach
   c. demonstration
   d. prospecting
20. The step that follows preapproach in the selling process is...........................

a. qualifying
b. approach
c. presentation
d. handling objections

Answers for Self Assessment Questions

1. (c) 2. (d) 3. (c) 4. (c) 5. (b) 6. (b) 7. (d)
8. (c) 9. (b) 10. (a) 11. (d) 12. (a) 13. (b) 14. (d)
15. (c) 16. (c) 17. (b) 18. (d) 19. (d) 20. (b)
Chapter-7: Social Security Laws

Self Assessment Questions

1. One of the reasons for the "great bull market" of the 1920s was that
   a. the Federal Reserve Board raised the discount rate.
   b. a majority of Americans bought and sold stock.
   c. silver had just become the currency standard in the United States.
   d. investors could get easy credit for brokers' loans.

2. Herbert Hoover's solution to the Depression was to
   a. provide some federal help to farmers and bankers, but leave relief for the poor to private charities and voluntary organizations.
   b. declare martial law.
   c. lower tariffs and thus increase foreign trade.
   d. provide no help at all.

3. The purpose of the Agricultural Adjustment Act was to
   a. raise farm income by restricting production.
   b. ensure that no one starved.
   c. increase farm production.
   d. socialize America's farms.

4. The significance of the Works Progress Administration (WPA) was that it
   a. established the rights of unions to organize and bargain collectively.
   b. was the idea of Huey Long, a critic of the New Deal.
   c. funded a variety of projects, including theater, writing, and art, as well as buildings and parks.
   d. became a permanent federal agency.

5. Father Charles Coughlin attacked the New Deal, suggesting that
   a. money should be inflated and the banks nationalized.
   b. it was neither New or a Deal.
   c. the nation should encourage Jewish immigration from Germany.
d. there should be a "Share Our Wealth" program.

6. The Social Security Act provided for all of the following EXCEPT
   a. old-age pensions.
   b. aid to migrant laborers.
   c. welfare grants.
   d. unemployment compensation.

7. During the New Deal, organized labor
   a. received support from the government, but declined in members.
   b. consistently attempted to foil any governmental attempt at economic regulation.
   c. took a united and aggressive approach to organizing the unskilled.
   d. received support from government and gained membership.

8. The New Deal handled past inequities to minorities by
   a. None of the answers are correct.
   b. passing civil rights legislation.
   c. confronting squarely the racial injustice in federal relief programs.
   d. making sure that all programs were "color blind."

9. The Roosevelt coalition included
   a. urban, ethnic, labor, and African American voters.
   b. native-stock Americans, the wealthy, and big-city machines.
   c. the rural Northeast, the solid South, and the small towns of the Midwest.
   d. farmers, small-town whites, and big business.

10. Which of the following is an accurate evaluation of the New Deal?
    a. It achieved little except for equality of opportunity for women and minorities.
    b. It was clearly socialist in intent and effect.
    c. It was moderate and relatively ineffective economically, but did produce sweeping political changes, putting the Democratic party in the majority.
d. It was a successful revolution that achieved the goal of guaranteeing equal opportunity and social justice.

11. Which of the following was not a cause of the Great Depression?
   a. More goods were produced than consumers could use.
   b. High taxes for the social security system took too high a percentage of the federal budget.
   c. Many U.S. corporations were mismanaged.
   d. There were unstable economic conditions in Europe.

12. The National Recovery Administration tried to guarantee
   a. codes of fair practice.
   b. minority rights
   c. "a chicken in every pot."
   d. freedom from unions.

13. As the first lady, Eleanor Roosevelt
   a. All of the answers are correct.
   b. revolutionized the role of first lady.
   c. set an example of activism that inspired many American women
   d. worked for civil rights of minorities.

14. The Great Depression
   a. affected the upper and lower classes, but left the middle class largely untouched.
   b. None of the answers are correct.
   c. was expected and many Americans had planned for it.
   d. caused many to doubt America's strength and future.

15. The effect of the "court-packing" scheme was to
   a. end the power of the Supreme Court.
   b. jeopardize Roosevelt's popularity with older Americans.
c. increase the number of judges on the court to fifteen.
d. weaken the president's relations with Congress.

16. The primary purpose of employee safety program is to preserve the employees’
   a. mental health  
b. physical health  
c. emotional health  
d. all of the above

17. The visual presentation of the ranking of work sites in a factory based on the number of  
   accidents reported from each site is called  
   a. Accident Frequency Method  
b. Spot Map Method  
c. Incidence Rate  
d. Severity Rate

18. Which of the following involves redesigning of equipment, machinery and material for the  
   safe performance of the jobs?  
   a. Safety engineering  
b. Safety campaigns  
c. Safety committee  
d. Safety training

19. The responsibility for maintenance of employee health and safety is with  
   a. employees  
b. employers  
c. government  
d. All of the above

20. Ensuring the safety, health and welfare of the employees is the primary purpose of the  
   a. Factories Act, 1948
b. Payment of Wages Act, 1936  
c. Equal Remuneration Act, 1976  
d. Industrial Disputes Act, 1947

**Answers for Self Assessment Questions**

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Chapter-8: Components of Reward System
Self Assessment Questions

1. A ___________ is a good offered either free or at low cost as an incentive to buy a product.
   a. patronage reward
   b. spiff
   c. price pack
   d. premium

2. Successful ____________ depends on how well a company blends its people, organizational structure, decision and reward systems, and company culture into a cohesive program that supports its strategies.
   a. marketing strategy
   b. marketing control
   c. marketing analysis
   d. marketing implementation

3. A company's compensation plan should reflect its overall marketing strategy. For example, if the overall strategy is to grow rapidly and gain market share, the compensation plan should reward:
   a. loyalty and perseverance.
   b. spot selling and old product rejuvenation.
   c. high sales performance and encourage capturing new accounts.
   d. high pressure situations and competitive reaction.

4. Which is not an example of a type of interpersonal power?
   a. Knowledge power
b. Legitimate power
c. Expert power
d. Reward power

5. Which of these is not listed as type of situational or structural power?
   a. Knowledge power
   b. Reward power
   c. Network power
   d. Decision-making power

6. What is meant by the acronym VPS?
   a. Valuable Pay System.
   b. Variable Pay Systems.
   c. Voluntary Pay System.
   d. Valuable Pay Scheme.

7. What is meant by the acronym PRP?
   a. Performance Registered Pay.
   b. Process Related Pay.
   c. Performance Related Pay.
   d. Performance Recommended Pay.

8. What is meant by the acronym PBR?
   a. Payment By Revision.
   b. Payment By Reward.
   c. Payment By Review.
   d. Payment By Results.

9. Which of the following are reasons for the popularity of Variable Pay Systems? Select all that apply.
   a. New technology and new forms of work organization.
   b. Product and labor market pressures.
   c. Increasing pressures on the reward systems.
10. Which of the following reasons might an employer use VPS? Select all that apply.

   a. All of below
   b. Allow closer financial control.
   c. Allow selective reward without increasing the pay bill.
   d. To restructure the employment relationship.

11. According to WERS what is the most common criteria used in the award of variable pay?

   a. Other measure of output.
   b. Piece rate.
   c. Acquisition of skills/core competencies.
   d. Assessment by supervisor.

12. According to WERS, profit related is most common in which sector?

   a. Health.
   b. Electricity, gas and water.
   c. Education.
   d. Construction.

13. According to WERS, data share ownership is most common in which sector?

   a. Education.
   b. Health.
   c. Finance.
   d. Electricity, gas and water.

14. What is meant by SAYE?

   a. Save As You Earn.
   b. Save As you Estimate.
   c. Save As You Employ.
   d. Spend As You Earn.
15. What is meant by a Profit Sharing Scheme?
   a. Where an element of the total pay package is related to the profitability of the company.
   b. Where a trust is established which purchases shares on the behalf of the employee using money borrowed from a financial institution.
   c. Where an employee enters into a savings contract with the option to purchase shares at the end of the contract period at a price fixed previously.
   d. Approved Profit Sharing Schemes involve distribution of shares to employees free of charge.

16. What is meant by an Employee Share Ownership Plan?
   a. Where an element of the total pay package is related to the profitability of the company.
   b. Where a trust is established which purchases shares on the behalf of the employee using money borrowed from a financial institution.
   c. Where an employee enters into a savings contract with the option to purchase shares at the end of the contract period at a price fixed previously.
   d. Approved Profit Sharing Schemes involve distribution of shares to employees free of charge.

17. Which of the following statements is false? Select all that apply.
   a. There is strong evidence between performance related pay and performance.
   b. There are many different types of VPS.
   c. Variable pay has become less important in recent years.
   d. All of above.

18. In devising successful reward systems which of the following are likely to be important? Select all that apply.
   a. External and internal labor market.
   b. Technology.
   c. Integration with other HRM practices.
   d. All of above

19. Kessler suggests that organizations are most likely to focus upon what?
a. Business strategy.
b. Internal equity.
c. External equity.

20. Which of the following are common criticisms of non-analytical job evaluation? Select all that apply.
   a. More likely to result in 'felt fair' outcomes.
   b. Straight forward to operate.
   c. Transparent and speedy.
   d. All of above

Answers for Self Assessment Questions
1. (d) 2. (d) 3. (c) 4. (a) 5. (c) 6. (b) 7. (c)
8. (d) 9. (d) 10. (a) 11. (d) 12. (b) 13. (d) 14. (a)
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