



DIPLOMA
July – December

Sessional Examination
CR121– Compensation and Reward Systems

BOTSWANA OPEN UNIVERSITY

Diploma in Human Resource Management

Compensation and Rewards Systems

CR121

Sessional Examination

Marks – 100

Duration: 3 Hours

Instructions:

1. The examination consists of Four sections: A, B,C and D
2. Begin each to a new question on a new page
3. Answer questions according to instructions given in each section
4. Write answers in the answer booklet provided
5. Write in grammatical English



SECTION A- MULTIPLE CHOICE QUESTIONS

[10 MARKS]

Answer ALL questions in this section. Each question carries ONE (1) mark.

Choose the best alternative.

1. Prohibition of unauthorized deductions from wages is provided for under section _____ of the Employment Act Cap 47:01.
 - A. 49
 - B. 59
 - C. 69
 - D. 79

2. _____ cannot be a determining factor when a company or organisation is assessing its ability to pay.
 - A. Company debt constraints
 - B. Legal constraints
 - C. Collective bargaining
 - D. External labour market

3. The following are steps in formulating a total compensation strategy except _____.
 - A. Pay policy strategy
 - B. Fit policy to strategy
 - C. Implement strategy
 - D. Reassess the fit



4. Bergmann (2001:554) emphasizes that the way money was used in the past year should be examined in order for one to be in a position to project the needs of the year to come. Which one of the following is not an index that can be used for such a purpose?
- A. Merit index
 - B. Compa-ratio
 - C. Participation ratio
 - D. Typical average increase percent
5. _____ is not part of the three fold communication strategy.
- A. What managers want to say
 - B. What employees want to hear
 - C. Analyzing communication problems
 - D. What the trade union want to say
6. Armstrong and Murlin mentioned _____ as one of the three approaches to performance counseling.
- A. The tell and tell method
 - B. The tell and sell method
 - C. The tell and listen method
 - D. The sell and listen method
7. The following are part of the four classifications of company resources except _____.
- A. Financial capital resources
 - B. Physical capital resources
 - C. Human capital resources
 - D. Houses and motor vehicles



8. _____ is not a process theory of motivation.
- A. McClelland's learned needs theory
 - B. Expectancy theory
 - C. Valence
 - D. Performance – Outcome expectancy
9. Non-cash compensation involves all the points below except _____.
- A. Bonus
 - B. Reserved parking space
 - C. Impressive job titles
 - D. Flexible working hours
10. According to the Botswana legal system, expatriates are employed in terms of the _____.
- A. Employment of non-citizen act
 - B. Employment law
 - C. The trade dispute act
 - D. The factories act



SECTION B: TRUE/FALSE QUESTIONS.

[10 MARKS]

Answer all questions. Each question carries ONE (1) mark.

State whether each of the following statements is TRUE or FALSE

1. The concept of social responsibility can also be referred to as corporate philanthropy or corporate citizenship.
2. A job description is the process of comparing jobs for purposes of establishing the compensation levels to be associated with a particular job.
3. Employees are not the most important assets a company can have.
4. Sales personnel work on commission basis in most companies.
5. Business strategy determines the direction in which the organisation is going in relation to its environment.
6. A competitive advantage means being better than your competitors one way or the other.
7. The compensation budget defines the money that the company has for compensation.
8. An organisational payroll can involve enormous sums of money, and this is the major reason why any pay system should be part of an organisational business strategy.
9. Corporate restructuring is not one of the major problems associated with benefits.
10. Botswana employment act states that any child above 14 years of age can be employed provided that they are not attending school.



SECTION C-SHORT ANSWER QUESTIONS

[30 MARKS]

Answer ALL questions in this section.

1. List any five Botswana holidays as per the employment law act. **(5 marks)**

2. The question of who should take part in a salary survey is of paramount importance as it will influence the end results. Name five kinds of participants that will deliver value in a salary survey. **(5 marks)**

3. Outline five examples of data that should be gathered in a salary survey. **(5 marks)**

4. Peromnes System utilises eight factors to evaluate jobs. List any five of these. **(5 marks)**

5. Name three internal factors and two external factors that affect expatriate compensation. **(5 marks)**

6. What are the five major statutes that regulate employment law in Botswana. **(5 marks)**



SECTION D: ESSAY TYPE QUESTIONS [50 MARKS]

Answer any TWO questions from this section.

1. Motivators can be divided into two main categories, namely intrinsic and extrinsic motivators. Define what the two terms intrinsic and extrinsic mean and discuss how both can be effectively used to enhance employee performance. **(25 marks)**
2. The Botswana Employment Act provides various employee rights that all the employers in Botswana are obliged to obey. Explore any five of these rights. **(25 marks)**
3. Examine any four job evaluation methods, outlining advantages and disadvantages of each of them. **(25 marks)**

END OF EXAMINATION