



**BOTSWANA COLLEGE OF DISTANCE AND OPEN LEARNING**

**Diploma in Human Resources Management**

**Compensation and Reward Systems**

**CR 121**

**Sessional Examination**

**Marks – 100**

**Time Allowed: 3 hours**

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**Instructions to candidates:**

1. This examination contains FOUR sections: A, B, C and D.
2. Begin each answer to a new question on a new page.
3. Answer all questions in the answer book provided.
4. Start each question on a new page.
6. Write in grammatical English.

**SECTION A: MULTIPLE CHOICE QUESTIONS. [10 MARKS]**

Answer all questions from this section.

Choose the best alternative from the options given below.

1. Maslow's Hierarchy of needs theory is written by \_\_\_\_\_.
  - A. Abraham Moscow
  - B. Paul Tolerance
  - C. Frederic Herzberg
  - D. None of the above
  
2. The following are found on Botswana Employment Act except \_\_\_\_\_.
  - A. Paid holidays
  - B. Flexible working schedule
  - C. Provision of childbirth incentives
  - D. Provision of maternity leave
  
3. Aims of Compensation and reward system include the following \_\_\_\_\_.
  - A. Efficiency
  - B. Equity
  - C. Transparency
  - D. All of the above

4. Insurance and medical cover is an example of \_\_\_\_\_.
- A. Safety needs
  - B. Esteem needs
  - C. Physiological needs
  - D. Self-actualization needs
5. Direct financial benefit focuses on \_\_\_\_\_.
- A. Pension schemes
  - B. Basic pay rate
  - C. Job-enlargement
  - D. Job –enrichment
6. What is external equity?
- A. Fairness when it comes to how the organisation deals with its competitors.
  - B. Fairness in respect of wages and salaries paid to employees in comparison to what other employees in competitor organisations doing the same job are getting.
  - C. Compliance with the labor laws
  - D. None of the above



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7. Normally, the results of the current year are measured by the following indexes identified by Bergmann?

- A. Participation Ration
- B. Matrix Index
- C. Typical (average) Decrease in Pula Amount.
- D. Typical (Average) Decrease in Percent

8. What is job analysis?

- A. A process of grading jobs into different grades
- B. A process of breaking a job into its component parts
- C. The process of allocating points to a job
- D. None of the above

9. Which of the following is an example of non-cash compensation?

- A. Reserved Parking area
- B. Bonus payment
- C. Commission
- D. Stock options



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10. Which of the following is the major statute regulating employment law in Botswana?

- A. The Trade disputes Act
- B. The factories Act
- C. Employment of Non-Citizens Act
- D. All of the above



**SECTION B-TRUE OR FALSE QUESTIONS.**

**[10 MARKS]**

**Answer all questions in this section. State whether each of the following statements is TRUE or FALSE.**

1. Developing a successful payment system in organisations goes hand in hand with performance management and it enhances employees' appreciation of their payment whilst ensuring that employees receive the intended value of these offerings.
2. A firm is said to have a sustained competitive advantage when it is implementing a value creating strategy simultaneously being implemented by any current or potential competitors.
3. Human resources practices are the primary means in measuring the contribution made by different individuals to the organisation's overall performance.
4. The Best Practice Paradigm approach implies that there is direct relationship between particular HR approaches and company performance.
5. Compensation strategy must not be aligned with the organisation strategy.
6. An advantage of the ranking method in conducting job evaluation is that it is easy to implement.
7. Bonuses can only be given annually.
8. The performance of economy determines what salary levels that economy can sustain.
9. According to Armstrong and Murlis incremental systems entail a process where variable increments are given at regular intervals.
10. For organisations to be more efficient and effective, they should have in place training plans that will be geared towards training their employees in order to achieve desired goals and objectives.

**SECTION C- SHORT ANSWER QUESTIONS.**

**[40 MARKS]**

**Answer all questions in this section.**

1. Identify and explain any five (5) relational forms of payment. **(10 Marks)**
2. Outline any five characteristics of performance management system. **(5 Marks)**
3. Name six programmes that organisations use to manage reward systems. **(6 Marks)**
4. List any five intrinsic rewards you are familiar with. **(5 Marks)**
5. Explain the two ways that have been identified as relevant to forecasting so as to meet compensation costs for the organisation. **(4 Marks)**
6. Identify and explain three problems associated with benefits. **(6 Marks)**
7. Outline two problems associated with benefits. **(4 marks)**

SECTION D-ESSAY QUESTIONS

[40 MARKS]

Answer only two questions in this section.

**Question 1**

Pay structures are affected by both internal and external factors within the organisation's control while the external factors are those that fall outside the organisation's control. Discuss what is meant by internal factors and critically analyze three examples of those factors.  
(20 Marks)

**Question 2**

Critically analyze any five performance management activities. (20 Marks)

**Question 3**

Identify and elaborate on four methods that managers can use for to evaluate jobs.  
(20 Marks)

Design the ground rules to be followed in implementing a successful Payment System.  
(20 Marks)

**END OF THE PAPER**

388

112

667