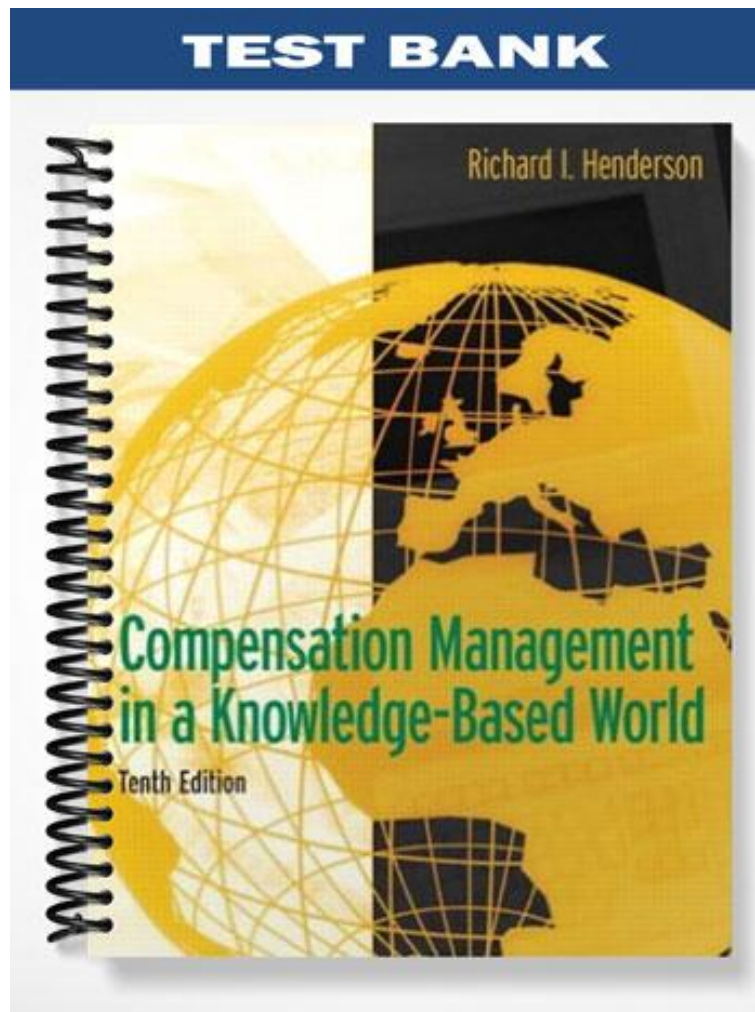


TEST BANK



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**Compensation Management
in a Knowledge-Based World**

Tenth Edition

PART II
A BANK OF MULTIPLE CHOICE AND
MATCHING QUESTIONS BY CHAPTER

CHAPTER 1

1. A growing disparity of income among members of USA society is directly attributable to
 - (a) increase in federal taxes
 - (b) rise of two-wage earner families
 - (c) demand for workers with higher levels of knowledge and skills
 - (d) lack of job opportunities at lower pay levels
2. Approximately what percentage of residents in the USA are in the lower class?
 - (a) 15
 - (b) 30
 - (c) 45
 - (d) 60
3. What is the average labor cost as a percentage of total business cost for most USA organizations?
 - (a) 10%
 - (b) 40%
 - (c) 60%
 - (d) 80%
4. Which one of the following classes would not be part of a traditional three-class society?
 - (a) poverty
 - (b) lower class
 - (c) middle class
 - (d) upper class
5. Entry into middle-middle class for most USA families requires a family income of
 - (a) \$25,000 to \$30,000
 - (b) \$35,000 to \$40,000
 - (c) \$45,000 to \$50,000
 - (d) \$65,000 to \$70,000
6. The financial strength to own your own home normally begins with entry into the
 - (a) working poor
 - (b) lower-middle class
 - (c) middle-middle class
 - (d) upper-middle class

In the following group, make the best match between the words in the column on the left with the description on the right. In the blank space to the left of each term, write the letter of the item which best matches it. Do not use an item in the right-hand column more than once.

- | | |
|----------------------------------|---|
| 7. ____competitive | (a) profit is okay |
| 8. ____middle class in USA | (b) keep costs within acceptable levels |
| 9. ____nontraditional household | (c) ultra-rich |
| 10. ____owner of Microsoft | (d) 65% to 70% |
| 11. ____capitalism | (e) working women |
| 12. ____47% to 48% of work force | (f) single parent families |

CHAPTER 2

1. The task of designing and managing a reward system that encourages employee contributions and performance within organizational cost constraints is a difficult and complex task because of:
 - (a) problems related to defining exempt and nonexempt employees
 - (b) the variety of human qualities, job requirements, and situational demands involved
 - (c) government legislation
 - (d) limited funds available for rewarding employees
2. An organization designs and implements a reward system to
 - (a) provide a medium of exchange of the income of an organization to its employees for their monetary and in-kind claims on goods and services
 - (b) promote the comradeship of workplace associates
 - (c) focus worker attention on the specific behaviors the organization considers necessary to achieve its desired objectives and goals
 - (d) require employees to perform assignments for which they are best suited
3. Money provides a measure of an employee's worth that is
 - (a) exact
 - (b) motivational
 - (c) qualifiable
 - (d) quantifiable
4. Claims on goods and services made available and paid for either totally or in some percentage by the employer are
 - (a) monetary rewards
 - (b) in-kind rewards
 - (c) noncompensation rewards
 - (d) nonfinancial rewards
5. Which of the following is not a part of the compensation system?
 - (a) health insurance
 - (b) cheerfully decorated work station
 - (c) company car
 - (d) vacation pay
6. Which of the following is a noncompensation benefit rather than a compensation benefit?
 - (a) paid holidays
 - (b) unemployment insurance
 - (c) office Christmas party
 - (d) medical insurance
7. Which of the following is not an example of a noncompensation reward?
 - (a) providing a training program
 - (b) providing a safe workplace
 - (c) providing a life insurance plan
 - (d) providing the resources necessary to perform job assignments successfully
8. Employers and employees both benefit by providing goods and services in lieu of additional wages for all but which one of the following reasons?

- (a) economies of scale are available through group purchasing
- (b) goods and services escape individual income tax
- (c) legislation requires the provision of certain benefits
- (d) employees may not be able to acquire certain goods and services individually

9. A company car, a company credit card, and subsidized food services are all examples of which one of the following forms of payment?
- (a) deferred income
 - (b) family income
 - (c) income equivalent
 - (d) incentive income

Match the noncompensation reward component listed in the right-hand column with the noncompensation dimension that it would most closely relate to that is listed in the left-hand column:

<u>Noncompensation Dimension</u>	<u>Noncompensation Component</u>
10. Enhance dignity and satisfaction from work performed	(a) Rotate work assignments
11. Promote constructive social relationships with co-workers	(b) Allow sufficient time to get the job done
12. Allocate sufficient resources to perform work assignments	(c) Opportunity to participate in a flexible work plan
13. Grant sufficient control over the job to meet personal demands	(d) Maximize opportunities for cooperative activities
14. Design jobs that require adequate attention and effort	(e) Show appreciation for employee efforts and contributions

Match the compensation component listed in the right-hand column that would be most appropriately grouped with the compensation dimension listed in the left-hand column:

<u>Compensation Dimension</u>	<u>Compensation Component</u>
15. Pay for Work and Performance	(a) SUB
16. Pay for Time Not Worked	(b) Subsidized parking
17. Loss-of-Job Income Continuation	(c) Social Security
18. Spouse/Family Income Continuation	(d) Overtime premium
19. Income Equivalent Payment	(e) Jury Duty pay

