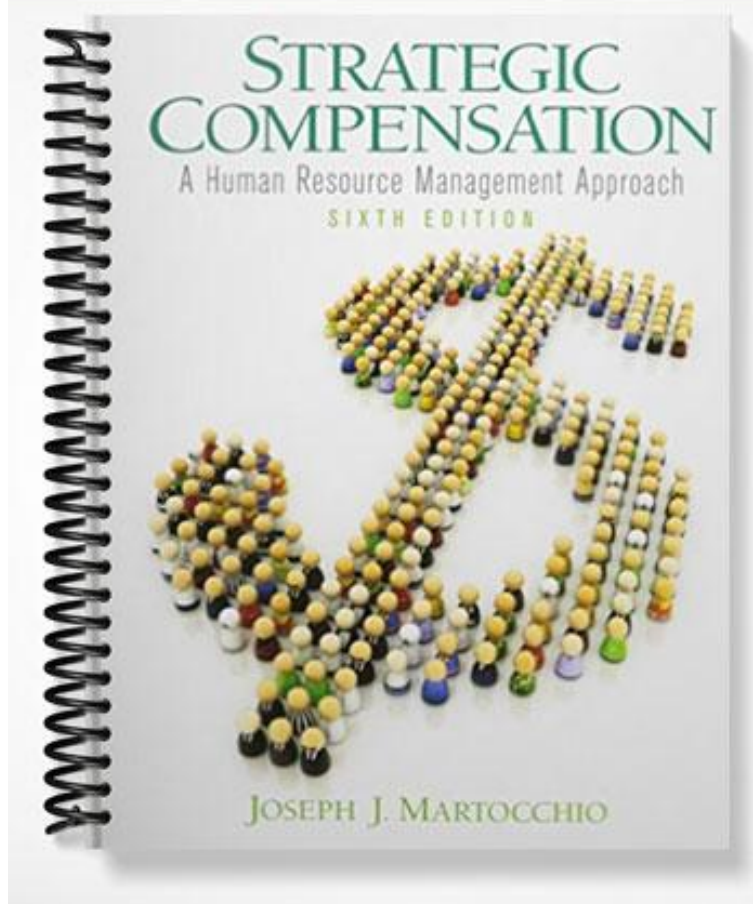


TEST BANK



Strategic Compensation, 6e (Martocchio)

Chapter 2 Contextual Influences on Compensation Practice

1) As of 2009, what percentage of all US employees work for the government (municipal, state, or federal)?

- A) 2%
- B) 15%
- C) 25%
- D) 50%

Answer: B

Diff: 2 Page Ref: 29

2) Which amendment to the US Constitution made it illegal to restrict the freedom of religion, speech, and press, as well as protect the right of people to peacefully assemble?

- A) Article 1, Section 8
- B) First Amendment
- C) Fifth Amendment
- D) Fourteenth Amendment, Section 1

Answer: B

Diff: 2 Page Ref: 30

3) Which of the following is NOT a branch of the federal government?

- A) Service branch
- B) Legislative branch
- C) Executive branch
- D) Judicial branch

Answer: A

Diff: 1 Page Ref: 30

4) Which branch of the federal government is responsible for interpreting laws?

- A) Service branch
- B) Legislative branch
- C) Executive branch
- D) Judicial branch

Answer: D

Diff: 1 Page Ref: 30

5) These programs granted income to workers who were unable to work due to injuries sustained while on the job.

- A) sick leave
- B) FMLA
- C) workforce restitution
- D) workers' compensation

Answer: D

Diff: 1 Page Ref: 31

6) Which one of these issues is NOT addressed by the Fair Labor Standards Act of 1938?

- A) minimum wage
- B) overtime pay
- C) executive compensation
- D) child labor provisions

Answer: C

Diff: 3 Page Ref: 31-32

7) Effective July of 2009, what is the federal minimum wage set by Congress?

- A) \$7.25
- B) \$9.00
- C) \$11.00
- D) \$12.75

Answer: A

Diff: 2 Page Ref: 31

8) Intentionally treating women less favorably than men solely based upon their gender would be what form of discrimination?

- A) disparate treatment
- B) disparate impact
- C) disparate causality
- D) situational discrimination

Answer: A

Diff: 2 Page Ref: 36

9) A policy that applies to all company employees, but unintentionally hurts a protected group disproportionately would be what form of discrimination?

- A) disparate treatment
- B) disparate impact
- C) disparate causality
- D) situational discrimination

Answer: B

Diff: 2 Page Ref: 36

10) As a result of this law enacted by Congress, employers must now show that employment practices that create disparate impact are a business necessity. This law also made it legal for US citizens working abroad for US companies to file suit.

- A) Americans with Disabilities Act of 1990
- B) Executive Order 11246
- C) The Civil Rights Act of 1991
- D) The Older Workers Benefit Protection Act

Answer: C

Diff: 2 Page Ref: 39-40

11) This law makes it illegal to discriminate against people with physical and mental disabilities both within and outside employment settings, including public transportation, public accommodations, and employment.

- A) Americans with Disabilities Act of 1990
- B) Executive Order 11246
- C) The Civil Rights Act of 1991
- D) The Older Workers Benefit Protection Act

Answer: A

Diff: 1 Page Ref: 40-41

12) Which of these was given as a reason why union influence has diminished?

- A) foreign automobile manufacturers producing higher quality vehicles
- B) union companies demonstrating lower profits than non-union companies
- C) technological advances
- D) all of the above

Answer: D

Diff: 3 Page Ref: 48

13) Construction contractors, working on government contracts valued at more than \$2,000, must pay their laborers and mechanics what type of local area based wage according to the Davis-Bacon Act of 1931?

- A) minimum wage
- B) prevailing wage
- C) prevalent wage
- D) discretionary wage

Answer: B

Diff: 2 Page Ref: 41

14) Which of the following is NOT a protected characteristic by Title VII of the Civil Rights Act of 1964?

- A) sexual orientation
- B) race
- C) national origin
- D) gender

Answer: A

Diff: 2 Page Ref: 36

15) Based upon the FLSA child labor provisions, what is the minimum age that a child must be in order to be legally employed?

- A) 10
- B) 12
- C) 14
- D) 19

Answer: C

Diff: 2 Page Ref: 34

16) This type of bargaining occurs when unions shift from bargaining for large pay increases to simply bargaining for greater job security.

- A) guarded
- B) concessionary
- C) heightened
- D) compensatory

Answer: B

Diff: 1 Page Ref: 48

17) According to the Equal Pay Act, which of the following are acceptable defenses for higher pay due to unequal work?

- A) a seniority system
- B) a merit system
- C) a system that measures earnings by quantity or quality of production
- D) all of the above

Answer: D

Diff: 2 Page Ref: 34

18) This was enacted in order to allow employees who are terminated, laid off, or have a change in their employment status to temporarily remain on the employer-sponsored medical insurance plan.

- A) The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)
- B) The Older Workers Benefit Protection Act (OWBPA)
- C) The Americans with Disabilities Act of 1990 (ADA)
- D) The Civil Rights Act of 1991

Answer: A

Diff: 2 Page Ref: 44

19) What is it called when the compensation practices in non-unionized companies mirror those found in unionized settings?

- A) progressive compensation
- B) the spillover effect
- C) concessionary bargaining
- D) inter-industry compensation differentials

Answer: B

Diff: 1 Page Ref: 48

20) This act strengthened the Equal Pay Act of 1963 by now requiring employers to show that pay disparities are job related rather than sex-based. This act also prohibits employers from retaliating against employees who share their salary information.

- A) The Paycheck Fairness Act
- B) The Civil Rights Act of 1964
- C) The Age Discrimination in Employment Act of 1967
- D) The Davis Act

Answer: A

Diff: 1 Page Ref: 37

21) What governmental agency enforces the Equal Pay Act of 1963 (in addition to enforcing many other employment discrimination laws)?

- A) WWE
- B) EEOC
- C) NAACP
- D) ATF

Answer: B

Diff: 1 Page Ref: 35

22) This amendment to the US Constitution gives Congress the power to regulate commerce with foreign nations, individual states, and Indian Tribes.

- A) The First Amendment
- B) The Fourteenth Amendment, Section 1
- C) The Fifth Amendment
- D) Article I, Section 8

Answer: D

Diff: 3 Page Ref: 30

23) The increasing acceptance of "paternity leave" is found with the passage this Act.

- A) Fair Labor Standards Act of 1938
- B) Pregnancy Discrimination Act of 1978
- C) Civil Rights Act of 1991
- D) Family and Medical Leave Act of 1993

Answer: D

Diff: 1 Page Ref: 41

24) These types of jobs are subject to the FLSA overtime provisions?

- A) exempt
- B) nonexempt
- C) equal
- D) nonequal

Answer: B

Diff: 1 Page Ref: 33

25) Which of the following factors explain inter-industry wage differentials?

- A) the industry's product market
- B) the degree of capital intensity
- C) a large labor market
- D) all of the above

Answer: D

Diff: 1 Page Ref: 49

26) What are the revised guidelines introduced in 2004 for determining whether jobs are exempt from FLSA overtime pay provisions called?

- A) Glass Ceiling Act
- B) Overtime Nonexempt Rules
- C) Bennett Amendment
- D) Fair Pay Rules

Answer: D

Diff: 1 Page Ref: 33

27) The Americans with Disabilities Act of 1990 (ADA) applies to companies that employ at least how many workers?

- A) 50
- B) 25
- C) 15
- D) 100

Answer: C

Diff: 2 Page Ref: 40

28) The "equal benefit or equal cost principle" is part of which Act?

- A) The Older Workers Benefits Protection Act (OWBPA)
- B) The Americans with Disabilities Act (ADA)
- C) The Employee Retirement Income Security Act of 1974 (ERISA)
- D) The Fair Labor Standards Act of 1938 (FLSA)

Answer: A

Diff: 3 Page Ref: 38

29) This provision mandates that federal government agencies take affirmative action in providing jobs for individuals with disabilities?

- A) The Rehabilitation Act
- B) ADA
- C) Executive Order 11478
- D) The Government Employee Rights Act of 1991

Answer: A

Diff: 3 Page Ref: 44

30) This law was established in order to regulate the implementation of various employee benefits and pension programs.

- A) The Older Workers Benefit Protection Act (OWBPA)
- B) The Americans with Disabilities Act of 1990 (ADA)
- C) The Employee Retirement Income Security Act of 1974 (ERISA)
- D) The Fair Labor Standards Act of 1938

Answer: C

Diff: 2 Page Ref: 43

31) During the _____, which took place in the 1930s, a great number of business failed and unemployment soared, forcing the government to intervene.

Answer: Great Depression

Diff: 1 Page Ref: 30

32) The FLSA requires that overtime be paid on all hours worked in excess of _____ hours within a 7-day period.

Answer: 40

Diff: 2 Page Ref: 31

33) The _____ of 1963 makes it illegal to pay one sex more than the other for equal work performed.

Answer: Equal Pay Act

Diff: 2 Page Ref: 34

34) The _____ in Employment Act of 1967 was passed by Congress in order to protect workers 40 years of age and older from unlawful discrimination.

Answer: Age Discrimination

Diff: 2 Page Ref: 38

35) The _____ of 1978 was put in place to prohibit disparate impact discrimination from occurring against pregnant women in all employment practices, as well as to ensure that pregnancy was treated the same as any other form of disability.

Answer: Pregnancy Discrimination Act

Diff: 1 Page Ref: 40

36) The _____ Act of 1993 sought to provide employees with job protection in case of a family or medical emergency.

Answer: Family and Medical Leave Act (or FMLA)

Diff: 3 Page Ref: 41

37) _____ refers to an employee acquiring nonforfeitable rights to an employer's contribution to fund benefits.

Answer: Vesting

Diff: 1 Page Ref: 44

38) The _____ generation was born between roughly 1946 and 1964, and represents a big swell in the American population as the workforce gets progressively older.

Answer: baby boom

Diff: 2 Page Ref: 38

39) The _____ Amendment allows employees to charge employers with Title VII violations regarding pay only when the employer has violated the Equal Pay Act of 1963.

Answer: Bennett

Diff: 3 Page Ref: 37

40) Congress creates and passes laws within the _____ branch of the American government.

Answer: legislative

Diff: 1 Page Ref: 30

41) Compare and contrast employers', employees', and government's goals in the compensation system.

Answer: In the compensation system, employees' fundamental goals are to attain high wages, comprehensive benefits, safe and healthful working conditions, and job security. Employers are concerned with maximizing profits, market shares, and returns on investment; they expect workers to be as productive as possible and to produce the highest quality products or services. The government's goal is to promote the social good while minimizing interference in private-sector employers' operations. The government also serves as an employer and a consumer of the products and services that private-sector companies produce.

These groups share common goals. Each group wants the economy to operate successfully. This will result in profits for employers, employees will face low unemployment, and the government will see increased tax revenues to fund programs.

42) How would the compensation system change if the minimum wage provision of the Fair Labor Standards Act of 1938 were repealed?

Answer: The Fair Labor Standards Act addresses three broad issues: the minimum wage, overtime pay, and child labor provisions. Clearly, in the absence of such legislation, employers may return to the days where substandard pay was the norm. On one hand, without a minimum wage provision, employers would likely lower the wage for many of these jobs. Further, specific FLSA exemptions already allow employers to pay some workers less than the minimum wage. On the other hand, employers may have difficulty recruiting employees to fill these positions, especially in geographic areas where the cost of living is higher than the national average.

43) Distinguish between disparate treatment and disparate impact in a compensation context.

Answer: Disparate treatment refers to intentional discrimination by employers in treating some workers less favorably than others because of their race, color, sex, religion, or national origin. Paying African Americans less than whites for the same job, other factors being equal, is an example of disparate treatment. Disparate impact refers to unintentional discrimination in which an employment practice geared toward all employees leads to unequal treatment of protected employee groups. Awarding seniority pay could lead to disparate impact if females had less seniority, on average, than men.