Practice Questions

Exam : **C3E**

Title : Quantitative Principles in Compensation Management

Version : DEMO

1.You have been asked to comment on a proposed provision in the union contract. over the next 3 years, management proposes increases of 2%, 2.5%, 3% over the 3 year life of the contract. The union negotiator insists that it be 3%, 2.5%, 2.0%.
Assuming the hourly rate for a job class is 12.50/hr., what is the rate in three years?
A. It will be 13.46 after three years
B. Management rate is higher
C. Union rate is higher
D. Cannot calculate
Answer: A

2.You start with 1,800 in your savings account. You do not make any deposits or withdrawals and earn 10% interest, compounded quarterly.
How much money will you have in your account after five years?
A. 1,149.51
B. 2,674.71
C. 2,898.92
D. 2,949.51
Answer: D

3.Market based pay = Intercept + (slope) x (job worth). You have collected data and have quantified your model as follows: y = 15000 + 50x.
The value of 15,000 in the model represents which of the following?
A. The slope of the line
B. The point where the line of best fit crosses the x-axis corresponding to a y-value of zero
C. The mean for y
D. The intercept for the line of best fit
Answer: D

4.Suppose you were given the following data for salary grade 007: Min 4,800 Midpoint 6,000 Max 7,200
What is the salary range spread?
A. 35%
B. 37.5%
C. 40%
D. 50%
Answer: D

5.A survey shows the average pay for senior accounting clerks is 1,570/mth. Your midpoint for senior-accounting clerks is 1,670 and the average actual pay is 1,550.
What is your compa-ratio for accounting clerks?
What is your market index?
A. .928 compa, .987 market
B. .928 compa, 1.064 market
C. .987 compa, 1.064 market
D. .987 compa, 1.013 market

Answer: A