
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