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Worldatwork

GR4

Base Pay Administration and

Pay for Performance

Exam

QUESTION: 1

What is a key component for determining the number of pay grades for a given organization?

- A. The number of responsibility distinctions evident in the organization
- B. The number of hourly employees in the organization
- C. The education level of the supervisors/managers in the organization.

Answer(s): A

QUESTION: 2

Which of the following is one of the most common compensation program objectives?

- A. Ensuring external competitiveness
- B. Paying at the median or 50th percentile
- C. Deferring compensation expenses
- D. Competitive base and highly leveraged incentives

Answer(s): A

QUESTION: 3

Which of the following best defines base pay?

- A. Variable compensation paid on a weekly basis to an employee
- B. Fixed compensation paid to an employee for performing specific job responsibilities
- C. The cash compensation paid for goal attainment
- D. Payment based on an individual's rate of production.

Answer(s): B

QUESTION: 4

Which statement is most accurate regarding the market data approach to job evaluation?

- A. Job descriptions are used to match survey data
- B. At least 20% of jobs should be benchmarked
- C. Internal job worth is more important than external job values
- D. Jobs with no market data cannot be priced

Answer(s): A

QUESTION: 5

What is a reason for establishing a job worth hierarchy?

- A. To determine appropriate placement of anchor points during the job evaluation
- B. To prove that job grades are not needed in an organization.
- C. To establish midpoint differentials for managers and subordinates
- D. To determine equity among both positions and groups of positions.

Answer(s): D

QUESTION: 6

What best describes an objective of a base pay structure?

- A. To assist in developing a job worth hierarchy
- B. To help to achieve organization objectives
- C. To determine job location in a broadband structure
- C. to aid in the preparation of job descriptions

Answer(s): B

QUESTION: 7

Which of the following is an accurate statement regarding the job content approach to pay structure development?

- A. After the point system is established, the continuum approach or pay structure approach can be used to develop the pay structure.
- B. External market pricing or competitiveness takes priority over job equity.
- C. The market pricing and slotting is highly responsive to market changes.
- D. With this particular method, no job evaluation points are assigned.

Answer(s): A

QUESTION: 8

When developing a base pay policy line, it is most important to reconcile it with which of the following?

- A. The consumer price index (CPI)
- B. The rate of inflation
- C. The compensation strategy
- D. The base pay policy lines of local competitors

Answer(s): C

QUESTION: 9

Which of the following is a reason to adopt broadbanding?

- A. To support a highly centralized culture
- B. To support a flatter organizational structure
- C. To emphasize the importance of being promoted to the next level within a job hierarchy
- D. To increase number of ranges within the organization

Answer(s): B

QUESTION: 10

Which of the following describes a characteristic of single-rate pay?

- A. Increases are based on a prescribed time schedule
- B. Pay rate is based on the acquisition of skills by the individual employee.
- C. Each job has a fixed pay rate (one rate for all employees)