MHROD / II Sem.   A

Course 626— ECONOMIC AND ACCOUNTING
ASPECTS OF HUMAN CAPITAL

(Admissions of 2004 and onwards)

Time : 3 hours   *Maximum Marks* : 70

*(Write your Roll No. on the top immediately
on receipt of this question paper.)*

Attempt all questions.
All questions carry equal marks.

1. (*a*) Define labour exploitation.   4

   (*b*) Explain and differentiate between different forms
         of labour exploitation.   7

   (*c*) Suggest the steps to check the labour
         exploitation.   3

                          Or

   (*a*) What information is embodied in an indifference
         curve and the budget line in the work leisure
         market?   7

   (*b*) Distinguish between supply of labour in short run
         and long run. Comment on the shape of short run
         supply curve of an individual.   7

2. (*a*) What does an organisation expect an effective
         compensation system to do for it?   7

(b) Discuss the factors which produce the wage differentials in an economy   7

Or

(a) State the various concepts of productivity.   4

(b) How can productivity be measured?   4

(c) Critically examine the role of different wage incentive plans on productivity of labour.   6

3. (a) Explain the concept and the features of Human Resource Accounting.   5

(b) Briefly describe and exemplify the approaches to value human resources under Human Resources Accounting's "Value Based Models".   9

Or

Discuss the recent developments in the field of Accounting for Human Capital. Also give examples in detail of some organisations which are using human resource accounting.   7+7

4. Explain Hermanson's Adjusted Discount Future Wage Model. Assume the discount rate is 10% and the estimated annual wage and salary for the next five years are Rs. 2 lakhs, Rs. 3 lakhs, Rs. 4 lakhs, Rs. 5 lakhs and Rs. 6 lakhs respectively. Also assume that the accounting rate of return for the firm for the current year and the preceding four years is 20, 15, 12 15 and 10 respectively and the rate of return for all the firms in the economy for the corresponding year is 15, 10, 8, 20 and 10 respectively.   14

5. Write short notes on any *two* of the following:

   (*a*) Lev and Shwartz Model

<div align="center">*Or*</div>

      Flamhaltz's Stochastic Rewards Valuation Model.

<div align="right">7</div>

   (*b*) Opportunity Cost Method.

<div align="center">*Or*</div>

      TRIPS   7

   (*c*) Replacement Cost Method.

<div align="center">*Or*</div>

      Growth of labour market in India in the globalised setting.   7