

Latest Version: 6.0

Question: 1

Bonuses for all engineers at your client are calculated as follows: Basis (prorated salary × bonus target) × company achievement. Bonuses for all marketing staff at your client are calculated as follows: Basis × 50% individual achievement + 50% company achievement. How can this be implemented? Note: There are 2 correct answers to this question.

- A. Two variable pay programs: one using Base × Business Performance and using Base × (Business Performance + Individual Performance). The additive plan uses one business goal section weighted at 50%
- B. One variable pay program that uses Base × (Business Performance + Individual Performance). Two bonus plans: one with the weighting 100% corporate and the other 50% corporate and 50% individual.
- C. One variable pay program using Base × Business Performance × Individual Performance. Two bonus plans: one with the weighting 100% individual and the other 50% corporate and 50% individual.
- D. One variable pay program that uses Base × (Business Performance + Individual Performance). Two bonus plans: one with the weighting 100% individual and the other 50% corporate and 50% individual

Answer: A,B

Question: 2

Company ABC rewards its employees using an additive plan based on company (50% weight) and individual (50% weight) performance. An employee's target bonus is 4,000 (100% payout). The company performance is based on two objectives, each weighted at 50% — revenue and operating Income. The revenue objective achievement is 80% and the operating income objective achievement is 90%. If the Individual achievement is 150%, which expression best represents how the bonus is calculated?

- A. $4000 \times 50\% \times (80\% \times 50\% + 90\% \times 50\%) + 4000 \times 50\% \times 150\%$
- B. $4000 \times 150\% \times (80\% \times 50\% + 90\% \times 50\%)$
- C. $150\% \times (4000 \times 50\% \times (80\% + 4000 \times 50\% \times 90\%))$
- D. $4000 \times 150\% + 4000 \times (80\% \times 50\% + 90\% \times 50\%)$

Answer: A

Question: 3

In which customer scenario do you need to create more than one bonus plan in the same program?

- A. The customer has multiple plan period date ranges.

- B. The customer is using multiple bonus calculation formulas.
- C. The customer has multiple route maps.
- D. The customer has multiple sets of business goals.

Answer: D

Question: 4

What report requires that worksheets have been launched before it will show results?

- A. Business goal performance
- B. Bonus payout
- C. Employee history gaps
- D. Employee history overlaps

Answer: B

Question: 5

The bonuses of all employees at your client are determined by the following results: 30% Corporate Performance. 30% Country Performance. 40% Individual Achievement. All employees have the same result for Corporate Performance, but the result for Country Performance varies based on the employee's country. The Individual Achievement comes from a linked performance form's overall result. How would this be configured? Note: There are 2 correct answers to this question.

- A. Additive plan with one Business Goal section. The Business Goal section is weighted 60% and the Individual section is weighted 40%. Within the Business Goal section, Corporate Performance is weighted 50% and Country Performance is weighted 50%
- B. Additive plan with two Business Goal sections. Corporate Performance in one Business Goal section, weighted at 30%. Country Performance in other section, weighted at 30%. Individual section weighted at 40%
- C. Additive plan with one Business Goal section. The Business Goal section is weighted 30% and the Individual section is weighted 40%. Within the Business Goal section, Corporate Performance is weighted 30% and Country Performance is weighted 30%
- D. Additive plan with one Business Goal section. The Business Goal section is weighted 60% and the Individual section is weighted 40%. Within the Business Goal section, Corporate Performance is weighted 30% and Country Performance is weighted 30%

Answer: A,B

Question: 6

Which of the following can be achieved using variable pay gates? Notes: There are 2 correct answers to this question.

- A. There are three business goals: Revenue, EBITDA, and Customer Satisfaction. The Individual section is capped to 100% unless the combined payout of the business goals exceeds 75%.
- B. There are three business goals: Revenue, EBITDA, and Customer Satisfaction. The entire business goal section will pay out at 50% unless Customer Satisfaction is above target.
- C. There are three business goals: Revenue, EBITDA, and Customer Satisfaction. The EBITDA goal CANNOT pay more than 100% unless Revenue achieves above target.
- D. There are three business goals: Revenue, EBITDA, and Customer Satisfaction. The EBITDA goal will payout at 0% unless the Individual performance rating is "Good" or better.

Answer: B,D

Question: 7

In which customer scenarios are multiple bonus plans required in a single program? Note: There are 2 correct answers to this question.

- A. The bonuses of different groups of employees are affected by different business goals.
- B. There is a single business goal applied to Manufacturing and Engineering, but HR is excluded from the bonus process.
- C. There are only two business goals, but the weighting of the goals varies by employee grade.
- D. In some countries, the bonus is multiplicative, while in others it is additive.

Answer: A,C

Question: 8

How would you assign the same business goal to all employees in a non-EC integrated plan?

- A. Use the correct performance management form template.
- B. Use the user ID of each employee in the business goals file.
- C. Use the Manage Employee grouping.
- D. Use a common field value for all employees in the employee history file.

Answer: D

Question: 9

What is the difference between additive and multiplicative formulas for bonus calculation with respect to the impact of section weight, payout percent, and payout amount?

- A. Additive formulas use payout percent, whereas multiplicative formulas use payout amount multiplied by section weights.
- B. Additive formulas use section weights, whereas multiplicative formulas use payout percent.
- C. Additive formulas use payout percent, whereas multiplicative formulas use section weights.

Answer: A

Question: 10

If the Starting Point for Manager Form Eligibility is set to "No employees are eligible", what actions can you take to include employees in the bonus plan? Note: There are 2 correct answers to this question.

- A. Use an MDF rule instead of importing eligibility rules.
- B. Flag employees in the UDF as TRUE in COMPENSATION_ELIGIBLE.
- C. Create a rule in Manager Form Eligibility to include employees.
- D. Add employees to the history data file.

Answer: B,C