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JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT
T2 EXAMINATION, SEMESTER VII

October, 2019

COURSE NAME: Human Resource Management

MAX. Marks: 25

COURSE CODE: 10B1WPD735

Max. TIME: 1.5 Hrs.

(Answer Q4 and Q5 on the basis of the given caselet. All questions carry equal marks)

- Q1. Explain reliability and validity w.r.t. the selection tools used by an organization. (CO3)
- Q2. Discuss the different types of interviews and when each type is to be used to improve the quality of hiring. (CO3)
- Q3. Differentiate between training and development. Explain in detail one method each used in training and development. (CO1)

Case study

A federal jury convicted a stock trader who worked for a well known investment firm, along with two alleged accomplices, of insider trading. According to the indictment, the trader got inside information about pending mergers from the lawyers. The lawyers allegedly browsed around their law firm picking up information about corporate deals others in the firm were dealing with. The lawyers would then allegedly pass their information on to a friend, who in turn passed it on to the trader. Such "inside" information reportedly helped the trader (and his investment firm) earn millions of dollars. The trader would then allegedly thank the lawyers, for instance, with envelopes filled with cash.

Things like that are not supposed to happen. Federal and State laws prohibit them. And investment firms have their own compliance procedures to identify and head off shady trades. The problem is that controlling such behavior once the firm has someone working for it who may be prone to engage in inside trading isn't easy. "Better to avoid hiring such people in the first place", said one pundit.

Over lunch at Bouley restaurant in Manhattan's TriBeCa area, the heads of several investment firms were discussing the conviction, and what could they do to make sure something like that didn't occur in their firms. "It's not just compliance," said one. "We've got to keep out the bad apples." They ask for your advice.

- Q4. What selection procedure should be used to ensure potential inside traders are not selected? (CO4)
- Q5. What kind of induction, training and development would further reduce incidents of insider trading? (CO4)