



**FEDERAL PUBLIC SERVICE COMMISSION  
SPECIAL COMPETITIVE EXAMINATION-2023 FOR  
RECRUITMENT TO POSTS IN BS-17 UNDER THE FEDERAL  
GOVERNMENT**

Roll Number

**MERCANTILE LAW**

<b>TIME ALLOWED: THREE HOURS</b>	<b>(PART-I MCQs) MAXIMUM MARKS: 20</b>
<b>PART-I (MCQs) : MAXIMUM 30 MINUTES</b>	<b>(PART-II) MAXIMUM MARKS: 80</b>
<b>NOTE: (i) First attempt PART-I (MCQs) on separate OMR Answer Sheet which shall be taken back after 30 minutes.</b>	
<b>(ii) Overwriting/cutting of the options/answers will not be given credit.</b>	
<b>(iii) There is no negative marking. All MCQs must be attempted.</b>	

**PART-I (MCQs)(COMPULSORY)**

**Q.1. (i) Select the best option/answer and fill in the appropriate Box  on the OMR Answer Sheet.(20x1=20)**  
**(ii) Answers given anywhere else, other than OMR Answer Sheet, will not be considered.**

- 1. Which of the following is eligible to become the director of a company?**  
(A) Minor (B) Un-discharged insolvent (C) Person representing creditors (D) None of these
- 2. Statutory meeting of a company is held:**  
(A) Twice in a year (B) Thrice in a year (C) Once in a year (D) None of these
- 3. Special resolution means a resolution which has been passed by a majority of not less than:**  
(A) Simple majority (B) Two-third majority (C) Three-fourth majority (D) None of these
- 4. A company limited by shares, if so authorized by its articles may reduce its share capital:**  
(A) By special resolution and subject to the confirmation by court  
(B) By special resolution and subject to the confirmation by commission  
(C) By ordinary resolution and subject to the confirmation by court (D) None of these
- 5. Annual general meeting of a company is held:**  
(A) Once in a life time of company (B) Twice in a year (C) Once in a year (D) None of these
- 6. A public limited company must have:**  
(A) 2 directors (B) 3 directors (C) 7 directors (D) Any of the above
- 7. When one person signifies to another his willingness to do or to abstain from doing anything, with a view to obtaining the assent of that other to such act or abstinence, he is said to make a:**  
(A) Promise (B) Proposal (C) Acceptance (D) None of these
- 8. A contract which ceases to be enforceable by law is called:**  
(A) Void agreement (B) Void contract (C) Voidable contract (D) None of these
- 9. If any part of a single consideration for one or more objects, or any one or any part of any one of several considerations for a single object, is unlawful, that is called:**  
(A) Void contract (B) Void agreement (C) Voidable contract (D) None of these
- 10. A person in the customary course of business as such agent have authority either to sell goods, or to consign goods for the purposes of sale, or to buy goods for the purposes of sale, or to buy goods, or to raise money on the security of goods, such person is called:**  
(A) An agent (B) Broker (C) Mercantile agent (D) None of these
- 11. Goods identified and agreed upon at the time a contract of sale is made are called:**  
(A) Goods (B) Specific goods (C) Transferable goods (D) None of these
- 12. Every kind of movable property other than actionable claims and money; and includes stock and shares, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale; that are called:**  
(A) Specific goods (B) Goods (C) Transferable goods (D) None of these
- 13. A person who has signed a negotiable instrument as a maker, drawer, acceptor or indorser without receiving the value thereof and for the purpose of lending his name to some other person is called:**  
(A) Bearer (B) Notary public (C) Accommodation party (D) None of these
- 14. A person who by negotiation comes into possession of a negotiable instrument is called:**  
(A) Bearer (B) Accommodation party (C) Banker (D) None of these
- 15. An instrument in writing, containing an unconditional undertaking, signed by the maker to pay on demand or at a fixed or determinable future time a certain sum of money only to, or to the order of, a certain person, or to the bearer of the instrument is called:**  
(A) Bill of exchange (B) Check (C) Promissory notes (D) None of these
- 16. Where no provision is made by contract between the partners for the duration of their partnership, or for the determination of their partnership is called:**  
(A) Partnership (B) Partnership-at-will (C) A firm (D) None of these
- 17. A relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all is called:**  
(A) Individually partnership and collectively firm (B) Individually a firm and collectively partnership  
(C) Partnership (D) None of these

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- 18. A person may become a partner with another person in particular adventures or undertakings is called:  
(A) Partnership-at-will (B) Partnership (C) Particular partnership (D) None of these
- 19. Where an arbitrator or umpire is removed under the provision of Arbitration Act, he:  
(A) Shall be entitled to receive remuneration (B) Shall not be entitled to receive any remuneration  
(C) Shall be entitled to receive partial remuneration (D) None of these
- 20. Court have power to:  
(A) Modify or correct but not to remit the award (B) Remit but not to modify or correct the award  
(C) Modify, correct or remit the award (D) None of these

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**PART-II**

<b>TIME ALLOWED: THREE HOURS</b>	<b>PART-I (MCQS)</b>	<b>MAXIMUM MARKS = 20</b>
<b>PART-I(MCQS): MAXIMUM 30 MINUTES</b>	<b>PART-II</b>	<b>MAXIMUM MARKS = 80</b>
<b>NOTE: (i) Part-II is to be attempted on the separate Answer Book.</b> <b>(ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks.</b> <b>(iii) All the parts (if any) of each Question must be attempted at one place instead of at different places.</b> <b>(iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper.</b> <b>(v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.</b> <b>(vi) Extra attempt of any question or any part of the question will not be considered.</b>		

- Q. No. 2.** What is the procedure of alteration in Memorandum of Association and Articles of Association? Elaborate their distinctive features. **(20)**
- Q. No. 3.** Whether arbitration is more effective without intervention of court or with intervention of court? Substantiate your answer with valid evidence. **(20)**
- Q. No. 4.** What is the procedure of disposal of claims and establishment of Consumer Courts under Consumer’s Protection Act, 2006? **(20)**
- Q. No. 5.** How is the liability on Notes, Bills and Cheques discharged under the Negotiable Instrument Act, 1881? **(20)**
- Q. No. 6.** What are the powers and functions of Certification Council under the Electronic Transactions Ordinance, 2002? **(20)**
- Q. No. 7.** Write a detailed note on recognition and presumption of electronic transactions under Electronic Transactions Ordinance, 2002. **(20)**
- Q. No. 8.** Write detailed notes on: **(10 Marks each) (20)**
  - (a) The powers of a court in terms of appointment and removal of an arbitrator.
  - (b) Kinds of contract, under the Law of Contract, 1872.

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