

# FEDERAL PUBLIC SERVICE COMMISSION



## COMPETITIVE EXAMINATION FOR RECRUITMENT TO POSTS IN BS-17 UNDER THE FEDERAL GOVERNMENT, 2011

### MERCANTILE LAW

<b>TIME ALLOWED:</b>	<b>(PART-I MCQs) 30 MINUTES</b>	<b>MAXIMUM MARKS: 20</b>
<b>THREE HOURS</b>	<b>(PART-II) 2 HOURS &amp; 30 MINUTES</b>	<b>MAXIMUM MARKS: 80</b>
<b>NOTE: (i) First attempt PART-I (MCQs) on separate 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>		

### (PART-I MCQs) (COMPULSORY)

- Q.1.** Select the best option/answer and fill in the **appropriate box** on the **Answer Sheet**. (1 x 20=20)
- (i) Which of the following contracts is voidable, where:
- (a) A party is induced by undue influence (b) One party under mistake of fact  
(c) Both parties under mistake of fact (d) None of these
- (ii) In case of wilful wrong a sub-agent is responsible to:
- (a) Agent (b) Principal (c) Sole agent (d) None of these
- (iii) A tender notice amounts to:
- (a) Proposal (b) Offer (c) Invitation (d) None of these
- (iv) A contract to sell the property by a minor through guardian is:
- (a) Void (b) Voidable (c) Valid (d) None of these
- (v) How many parties are there in a contract of guarantee?
- (a) 5 (b) 4 (c) 3 (d) None of these
- (vi) Which of the following is eligible to become director of a company?
- (a) Minor (b) Un-discharged insolvent  
(c) Person representing a creditor (d) None of these
- (vii) Extra-ordinary general meeting of a company includes:
- (a) Annual general meeting (b) Statutory meeting (c) Plenary meeting (d) None of these
- (viii) Petition for winding up of a company may be moved by:
- (a) Auditor General (b) Advocate General (c) Company Judge (d) None of these
- (ix) The Companies Act repealed by the Companies Ordinance, 1984 pertained to the year:
- (a) 1930 (b) 1933 (c) 1935 (d) None of these
- (x) Penalty for improper use of word "Limited" is:
- (a) Fine (b) Imprisonment (c) Imprisonment with fine (d) None of these
- (xi) In which of the following an arbitration agreement is not discharged by the death of party:
- (a) Voluntary (b) Statutory (c) Contractual (d) None of these

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- (xii) The assent of arbitrator appointed by court is:  
(a) Optional (b) Not required (c) Necessary (d) None of these
- (xiii) The number of Arbitration Act, 1940 is:  
(a) XI (b) XV (c) XX (d) None of these
- (xiv) Nature of misconduct justifying removal of arbitrator should be:  
(a) Legal (b) Moral (c) Procedural (d) None of these
- (xv) Suit by unregistered firm against third party is:  
(a) Maintainable (b) Barred (c) Permissible (d) None of these
- (xvi) The firm and firm-name are:  
(a) Synonymous (b) Interchangeable (c) Different terms (d) None of these
- (xvii) The partnership is:  
(a) Juristic person (b) Juridical person (c) Natural person (d) None of these
- (xviii) The maker of a promissory note is liable as:  
(a) Principal debtor (b) Principal Creditor (c) Undischarged surety (d) None of these
- (xix) Valid presentation of a cheque is within six months from:  
(a) The date it is drawn (b) Date of last correction (c) Date of delivery (d) None of these
- (xx) An exception to "No one can transfer what he does not have" is:  
(a) Registered gift (b) Will (c) Estoppel by owner (d) None of these

### PART-II

**NOTE:**(i) **PART-II** is to be attempted on separate Answer Book.  
(ii) **Attempt ONLY FOUR questions from PART-II. All questions carry EQUAL marks.**  
(iii) **Extra attempt of any question or any part of the attempted question will not be considered.**

- Q.2.** Discuss the statutory liability both civil and criminal which arises as a result of untrue statement in a prospectus. (20)
- Q.3.** What are the modes in which maker, acceptor or endorser of a negotiable instrument is discharged? (20)
- Q.4.** How will you distinguish a mistake of fact from a mistake of law? Discuss their legal effect on contract. (20)
- Q.5.** What is meant by expression 'passing of property'? Discuss the law which governs the transfer of property as between the seller and a buyer. (20)
- Q.6.** Discuss the scope and extent of powers of a judicial authority to stay legal proceedings where there is an arbitration agreement. Elaborate as to what amounts to "taking any step in the proceeding". (20)
- Q.7.** Write a comprehensive note on the relations of partners to one another. (20)
- Q.8.** Write short notes on any **TWO** of the following: (10 + 10 = 20)
- (a) Insurance Appellate Tribunal. (b) Fiduciary Relationship  
(c) Goodwill

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