

FEDERAL PUBLIC SERVICE COMMISSION



COMPETITIVE EXAMINATION FOR RECRUITMENT TO POSTS IN BS-17 UNDER THE FEDERAL GOVERNMENT, 2013

MERCANTILE LAW

TIME ALLOWED:	(PART-I MCQs)	30 MINUTES	MAXIMUM MARKS: 20
THREE HOURS	(PART-II)	2 HOURS & 30 MINUTES	MAXIMUM MARKS: 80
NOTE: (i) First attempt PART-I (MCQs) on separate OMR Answer Sheet which shall be taken back after 30 minutes.			
(ii) Overwriting/cutting of the options/answers will not be given credit.			

PART-I ((MCQs) (COMPULSORY)

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

- Jurisdiction in company matters is to be exercised by:
(a) Civil Court (b) Any Judge of High Court
(c) Company Bench of High Court (d) None of these
- Any alteration in Article of Association affecting the substantive right or liabilities of members of the company can be made:
(a) If Board of Director pass such alteration (b) By vote of simple majority of members
(c) By a vote $\frac{3}{4}$ majority of members (d) None of these
- A special audit of a company can be ordered by a commission on an application made by members holding not less than:
(a) 20% Voting Rights (b) 25% Voting Rights
(c) 51% Voting Rights (d) None of these
- A listed company in accordance with companies ordinance is required to have at least:
(a) Two Director (b) Seven Director (c) Three Directors (d) None of These
- When a negotiable instrument may be construed either as a promissory note or bill of exchange, law recognizes it as:
(a) Promissory note (b) Bill of Exchange (c) Ambiguous Instrument (d) None of these
- When a bill of exchange has been dishonoured, the holder can cause such dishonour to be certified by a notary public, such certificate is a:
(a) Claiming (b) Presentment (c) Protest (d) None of these
- If a cheque is transferred to any person to constitute him as a holder, the instrument is said to be:
(a) Delivered (b) Negotiated (c) Presented (d) None of these
- A partner can be expelled from a Firm:
(a) By simple majority of partners (b) If all partner consent to it
(c) Only by exercise of powers conferred by the Contract (d) None of these
- A new partner can be inducted in an existing partnership:
(a) By recommendation of any partner (b) By the consent of all partners
(c) By the consent of half of the partners (d) None of these
- Any admission made by a partner regarding the affairs of the firm in ordinary course of business:
(a) Is evidence against the firm (b) Has no validity against the firm
(c) Ordinary statement (d) None of these
- An agreement between partners imposing reasonable restriction on a partner for not carrying on any business within a specified time or local limits on ceasing to be a partner is:
(a) Void (b) Valid (c) Illegal (d) None of these
- The goods which form the subject of a Sale can be:
(a) Existing Goods (b) Existing and Future Goods
(c) Existing, Future and Contingent Goods (d) None of these
- If the seller make use of Pretended bidding to raise the price the sale is:
(a) Voidable (b) Void (c) Illegal (d) None of these
- The principle of indemnity does not apply in the case of:
(a) Life Insurance (b) Marine Insurance (c) Fire Insurance (d) None of these

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15. Promise which form the consideration or part of the consideration for each other are called:
(a) Agreement (b) Contract (c) Reciprocal Agreement (d) None of these
16. Mr. Aslam applied to a bank for a loan at a time when there is stringency in the money market. The banker declines to make the loan except at an unusually high rate of interest, this is called:
(a) Undue influence (b) Transaction in the ordinary course of business
(c) Free consent (d) None of these
17. When consent to an agreement is caused by coercion, fraud, or misrepresentation, the agreement is:
(a) Valid (b) Void (c) Voidable (d) None of these
18. A person who finds goods belonging to another and takes them into his custody; is subject to the same responsibilities as:
(a) Trustee (b) Owner (c) Bailee (d) None of these
19. An agreement in restraint of the marriage of any person other than a minor is called :
(a) Valid (b) Invalid (c) Illogical (d) None of these
20. Authority of an appointed arbitrator or umpire can be revoked:
(a) At the discretion of either party (b) With the leave of the Court
(c) Irrevocable (d) None of these

PART-II

NOTE: (i) **Part-II** is to be attempted on the separate **Answer Book**.
(ii) Candidate must write **Q. No.** in the **Answer Book** in accordance with **Q. No.** in the **Q. Paper**.
(iii) Attempt **ONLY FOUR** questions from **PART-II**. **ALL** questions carry **EQUAL marks**.
(iv) Extra attempt of any question or any part of the attempted question will not be considered.

- Q. No.2.** Discuss the methods for discharge of contract and clarify discharge by operation of law and Discharge by Agreement with examples (20)
- Q. No.3.** Distinguish between winding up and dissolution. Under what circumstances the Court can order the compulsory winding up of a company and in what circumstance may a company be wound up voluntarily? (20)
- Q. No.4.** Distinguish between condition and warranty. Suppose Mr. Imran shopping in a self-service market, he picked up a bottle of Maka Cola from a shelf. While he was examining it, the bottle exploded in his hand and injured him. Can Mr. Imran claim damages for the injury? (20)
- Q. No.5.** Define partnership deed and describe its contents. (20)
- Q. No.6.** Write essay on any **TWO** of the following: (10 each) (20)
(a) Undue Influence
(b) Memorandum of Association
(c) Presumptions as to negotiable Instruments
- Q. No.7.** Write comprehensive note on any **TWO** of the following: (10 each) (20)
(a) Implied authority of partner as agent of the firm
(b) Sale by person not the owner
(c) Crossing of Cheque
- Q. No.8.** Write short notes on any **FOUR** of the following: (5 each) (20)
(a) Fraud
(b) Associated Companies and Associated Undertaking
(c) Cases when presentment of a bill of exchange is excused
(d) Mode of determining existence of partnership
(e) How unpaid seller stop goods in transit
(f) Re-Insurance
