CSS Past Papers

Subject: Mercantile Law

Year: 2026

FEDERAL PUBLIC SERVICE COMMISSION

COMPETITIVE EXAMINATION-2026
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT

CSS Mercantile Law Paper 2026

Roll Number

TIME ALLOWED: THREE HOURS **PART-I (MCQS): MAXIMUM 30 MINUTES**	**PART-I MCQS** **MAXIMUM MARKS = 20** **PART-II MCQS** **MAXIMUM MARKS = 80**

NOTE:

1. First attempt PART-I (MCQs) on separate OMR Answer Sheet which shall be taken back after 30 minutes.
2. Overwriting/cutting of the options/answers will not be given credit.
3. There is no negative marking. All MCQs must be attempted.

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MERCANTILE LAW

TIME ALLOWED: THREE HOURS	(PART-I MCQs) MAXIMUM MARKS: 20
PART-I (MCQs) : MAXIMUM 30 MINUTES	(PART-II) 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.
(iii) There is no negative marking. All MCQs must be attempted.

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. **A voidable contract is one that:**
   (A) Is invalid from the beginning (B) Can be annulled at the option of one party.
   (C) Is enforceable only by court order. (D) None of these
2. **Arbitration is preferred over litigation because it is:**
   (A) Always faster and cheaper. (B) Binding and often confidential.
   (C) Governed strictly by state courts (D) All of these

3. **A partnership firm can be registered with the:**
   (A) Securities and Exchange Commission of Pakistan (B) Federal Board of Revenue
   (C) Registrar of Firms (D) None of these
4. **Force Majeure clauses excuse performance due to:**
   (A) Financial difficulties. (B) Unforeseeable extraordinary events.
   (C) Minor contractual breaches (D) None of these
5. **Which of the following does not qualify as a negotiable instrument under the Negotiable Instruments Act, 1881?** (A) Promissory note (B) Bearer cheque (C) Bill of Lading (D) All of these
6. **In the context of the Companies Act, the audit committee of a company must be composed of:**
   (A) At least two independent directors. (B) At least one independent director.
   (C) The Chief Executive Officer and the Chief Financial Officer. (D) None of these
7. **Under the Arbitration Act, 1940, the court may remit an award to the arbitrator for reconsideration under which of the following circumstances?**
   (A) When the award is indefinite or uncertain
   (B) When the award contains an error removable without altering the decision
   (C) When objections are "apparent on the face of the record" (D) All of these
8. **Under the Negotiable Instruments Act, 1881, which one of the following prevents a person from becoming a Holder in Due Course?**
   (A) Receiving the instrument after maturity (B) Receiving the instrument for consideration
   (C) Taking the instrument without knowing any defect in title (D) None of these
9. **What is the primary distinction between a 'sale' and an 'agreement to sell' under the Sales of Goods Act?**
   (A) A sale transfers ownership immediately, while an agreement to sell transfers ownership at a future time.
   (B) A sale involves movable goods, while an agreement to sell involves immovable property.
   (C) A sale requires registration, while an agreement to sell does not. (D) None of these
10. **Under the Competition Act, 2010, which of the following actions is considered an "abuse of dominant position"?**
    (A) Limiting production or technical development (B) Predatory pricing
    (C) Discriminatory pricing (D) All of these
11. **Under the Pakistan Companies Act, which of the following documents is not required to be filed with the registrar for the incorporation of a company?**
    (A) Memorandum of association (B) Declaration of compliance
    (C) Certificate of share capital (D) All of these
12. **Under the Consumer Protection Act, 2006, the power to impose penalties for violations rests with:**
    (A) Consumer Court (B) District Coordination Officer
    (C) Provincial Assembly (D) None of these
13. **Under which condition does a buyer have the right to reject goods under the Sale of Goods Act?**
    (A) If the goods are slightly different in shade but still usable.
    (B) If the seller delivers goods that do not conform to the contract description (breach of condition).
    (C) If the buyer changes their mind after the sale (D) All of these
14. **The Electronic Transactions Ordinance, 2002 primarily aims to:**
    (A) Legalize electronic documents and records (B) Recognize electronic signatures
    (C) Facilitate e-commerce growth in Pakistan (D) All of these

NOTE:

i. **Part-II** is to be attempted on the separate **Answer Book.**

ii. Attempt **ALL** questions from **Part-II.**

iii. All the parts (if any) of each Question must be attempted at one place instead of at different places.

iv. Write **Q.NO** in the **Answer Book** in according with **Q.No** in the **Q.Paper.**

v. **No Page/Space** be left blank between the answers. All the blank pages of **Answer Book** must be crossed.

vi. Extra attempt of any question or any part of the question will not be considered.

Q. No. 2. Explain the rights of an unpaid seller under the Sale of Goods Act, 1930. In your answer, discuss the seller's rights in relation to the goods, the buyer, and the contract, including the right of lien, stoppage in transit, and right of resale.

Q. No. 3. Critically analyze the statutory functions and enforcement powers of the Competition Commission of Pakistan under the Competition Act, 2010. How effectively has the Competition Commission of Pakistan addressed anti-competitive practices such as cartelization, abuse of dominant position, and deceptive marketing in Pakistan's market economy?

Q. No. 4. Critically examine the procedure prescribed under the Arbitration Act, 1940, for setting aside an arbitral award. Explain the role of the court, limitation requirements, notice and evidence procedures, and the distinction between remitting an award and setting it aside. Evaluate whether the procedure ensures fairness and judicial oversight.

Q. No. 5. Critically examine the doctrine of ultra vires in relation to the Memorandum of Association. How does the Memorandum of Association define the scope of a company's powers, and what are the consequences of acts beyond the powers specified in the Memorandum of Association?

Q. No. 6. Critically examine the presumptions provided under the Electronic Transactions Ordinance, 2002, regarding the authenticity and integrity of electronic records and signatures. Analyze how these presumptions facilitate the reliability of electronic transactions and the evidentiary challenges that may arise in court.

Q. No. 7. Critically examine the statutory and contractual rights of partners under the Partnership Act, 1932, with special reference to participation in management, remuneration, indemnity, and interest on capital. Evaluate how these rights operate alongside the corresponding duties imposed on the partner.

Q. No. 8. Critically analyse the admissibility of electronic and computer-generated evidence under the Qanun-e-Shahadat Order, 1984. How does the judgment in Alamgir Khalid Chughtai vs State (PLD2009 Lahore 254) contribute to the evolving jurisprudence on digital evidence in Pakistan?

15. **The primary purpose of the Electronic Fund Transfer Act, 2007 is to:**
    (A) Regulate electronic banking transactions (B) Protect consumers from unauthorized electronic transfers
    (C) Establish rights and liabilities of financial institutions (D) All of these
16. **Which of the following remedies can a consumer seek under the Consumer Protection Act, 2006?**
    (A) Replacement or repair of defective goods (B) Refund of the price paid
    (C) Compensation for damages (D) All of these
17. **In Carlill v. Carbolic Smoke Ball Co. [1893], the court held that:**
    (A) An advertisement is never an offer
    (B) A general offer can be accepted by anyone who fulfills its conditions
    (C) There was no valid acceptance in this case (D) None of these
18. **A consumer must notify the financial institution of an unauthorized electronic fund transfer within:**
    (A) 1 day (B) 7 days (C) 30 days (D) None of these
19. **Which of the following is considered a valid electronic signature under the Electronic Transactions Ordinance, 2002?**
    (A) Any electronic method used to authenticate a document
    (B) A digital signature generated through cryptographic means
    (C) A secure electronic signature verified by a certificate (D) All of these
20. **Which of the following is not a deceptive marketing practice under the Competition Act 2010?**
    (A) False or misleading advertising (B) Fraudulent use of another firm's trademark
    (C) Comparative advertising that is truthful and verifiable (D) None of these

PART-II

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

Q. No.2. Explain the rights of an unpaid seller under the Sale of Goods Act, 1930. In your answer, discuss the seller's rights in relation to the goods, the buyer, and the contract, including the right of lien, stoppage in transit, and right of resale. **(20)**

Q. No.3. Critically analyze the statutory functions and enforcement powers of the Competition Commission of Pakistan under the Competition Act, 2010. How effectively has the Competition Commission of Pakistan addressed anti-competitive practices such as cartelization, abuse of dominant position, and deceptive marketing in Pakistan's market economy? **(20)**

Q. No.4. Critically examine the procedure prescribed under the Arbitration Act, 1940 for setting aside an arbitral award. Explain the role of the court, limitation requirements, notice and evidence procedures, and the distinction between remitting an award and setting it aside. Evaluate whether the procedure ensures fairness and judicial oversight. **(20)**

Q. No.5. Critically examine the doctrine of *ultra vires* in relation to the Memorandum of Association. How does the Memorandum of Association define the scope of a company's powers, and what are the consequences of acts beyond the powers specified in the Memorandum of Association? **(20)**

Q. No.6. Critically examine the presumptions provided under the Electronic Transactions Ordinance, 2002 regarding the authenticity and integrity of electronic records and signatures. Analyze how these presumptions facilitate the reliability of electronic transactions and the evidentiary challenges that may arise in court. **(20)**

Q. No.7. Critically examine the statutory and contractual rights of partners under the Partnership Act, 1932, with special reference to participation in management, remuneration, indemnity, and interest on capital. Evaluate how these rights operate alongside the corresponding duties imposed on partner. (Section 9-16) (Section 17-22) **(20)**

Q. No.8. Critically analyse the admissibility of electronic and computer-generated evidence under the Qanun-e-Shahadat Order, 1984. How does the judgment in Alamgir Khalid Chughtai vs State (PLD2009 Lahore 254) contribute to the evolving jurisprudence on digital evidence in Pakistan? **(20)**

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