

TRADING CORPORATION OF PAKISTAN (PVT.) LIMITED
MINISTRY OF COMMERCE | GOVERNMENT OF PAKISTAN

MODEL TEST PAPER

GENERAL MANAGER (FINANCE & ACCOUNTS)

Computer-Based Testing Format | MCQ Only | Applied Professional Judgment

RFP No. TCP (HR)/14-147/2025-26

Parameter	THIS MODEL PAPER (Illustrative Sample Only)	ACTUAL CBT EXAMINATION (Real Exam Parameters)
Questions per Section	5 (sample only)	10
Total Questions	15 MCQs	30 MCQs
Marks per Q — Section A	6 marks each	3 marks each
Marks per Q — Section B	4 marks each	2 marks each
Marks per Q — Section C	10 marks each	5 marks each
Total Marks	100 marks	100 marks
Duration	(not applicable)	1 Hour
Passing Marks	50 marks (50%)	50 marks (50%)
Negative Marking	None	None
Questions	Fixed sample set	Randomised from approved bank

⚠ IMPORTANT: This model paper contains 5 sample questions per section (15 total) for illustration only. The actual CBT examination contains 10 questions per section (30 total). Total marks (100) and passing threshold (50%) are identical in both.

CANDIDATE INSTRUCTIONS

1. TEST OVERVIEW

Position: GENERAL MANAGER (FINANCE & ACCOUNTS) — Trading Corporation of Pakistan

Format: All questions are Multiple Choice Questions (MCQs). Each question has four options (A, B, C, D). Only ONE option is correct.

Negative Marking: NONE — incorrect answers carry zero marks. Calculator: Not required for this CBT format.

2. TEST SECTIONS AND WEIGHTAGE

Section A: General Knowledge — 5 Qs (Model) / 10 Qs (Actual) — 3 marks each — Section Total: 30

Section B: English Language — 5 Qs (Model) / 10 Qs (Actual) — 2 marks each — Section Total: 20

Section C: Technical Knowledge — 5 Qs (Model) / 10 Qs (Actual) — 5 marks each — Section Total: 50

TOTAL: 15 / 30 — 100 marks

** Marks per question shown are for the actual CBT examination. In this model paper, marks are proportionally higher (6/4/10) to maintain 100-mark total across 15 questions.*

3. CBT EXAMINATION DETAILS

The actual examination is administered via a Computer-Based Testing (CBT) platform. Candidates select their answer on screen. The CBT system automatically records and scores all responses. Results are available immediately upon submission. Questions are drawn randomly from a pre-approved question bank — each candidate receives a unique randomised set. Mobile phones and all electronic devices are strictly prohibited.

4. IMPORTANT NOTICE — MODEL PAPER vs ACTUAL EXAM

This model paper contains 5 sample questions per section (15 total). It is published solely to familiarise candidates with the question format, style, and difficulty level. The actual CBT examination contains 10 questions per section (30 total), completed in 1 hour. Total marks (100) and passing threshold (50%) are the same in both.

SECTION A — GENERAL KNOWLEDGE [30 Marks | 5 Questions | 6 Marks Each]

Difficulty level: Executive / applied. Questions test professional judgment — not factual recall. All questions are scenario and judgment-based.

Q1. The Board of a government-owned commercial trading entity is reviewing the national macroeconomic environment. Pakistan's fiscal deficit is running at 7.2% of GDP, with debt servicing absorbing over 58% of FBR tax revenues. The Ministry of Finance has directed all federal commercial entities to reduce operational expenditure by 15% in the current year. As GM (Finance & Accounts), which is the MOST strategically sound response? **[6 marks]**

- (A) Immediately reduce all operational expenditure by 15% across all budget lines to comply with the directive without further analysis.
- (B) Assess the expenditure base to distinguish fixed contractual commitments from discretionary spend, protect revenue-generating and compliance-critical activities from cuts, and present a structured savings plan to the CFO showing how 15% can be achieved without impairing the organisation's core commercial mandate.
- (C) Write to the Ministry requesting a full exemption since the entity is a commercial organisation and expenditure reductions will harm profitability.
- (D) Defer implementation until the next financial year to allow adequate planning time.

Answer: (B)

A blanket cut without analysis risks impairing revenue-generating and regulatory compliance functions. The GM's role is to exercise financial judgment — identify cuttable discretionary spend while protecting commercial operations. Option B reflects executive-level financial leadership.

Q2. A government trading company imports wheat on behalf of the Government. A foreign exporting country's government subsidises its wheat farmers, allowing exports at prices materially below Pakistan's domestic cost of production. The procurement team is considering whether to source from this supplier. From a trade policy and commercial governance perspective, which consideration should the GM (Finance & Accounts) PRIMARILY raise with the Board? **[6 marks]**

- (A) Accept the lower price unconditionally — the cost saving benefits the organisation's operating margin.
- (B) Reject the supplier entirely and source only from domestic producers regardless of price.
- (C) The purchase may attract countervailing duties imposed by Pakistan, which would erode the apparent price advantage; additionally, heavy reliance on a subsidised single-country supplier creates a supply concentration risk that should be stress-tested.
- (D) Refer the matter to the Ministry of Commerce and take no further action until a directive is issued.

Answer: (C)

Countervailing duties (CVDs) counter government subsidies in foreign exports — a senior finance professional must account for this regulatory risk before committing to supplier pricing. Supply

concentration risk is also a treasury concern. Options A and B are both commercially naive; D is passive.

Q3. The SBP raises the policy rate by 300 basis points to 24%. A company has PKR 800 million of import LCs outstanding with a 90-day maturity, financed at a floating rate linked to KIBOR. At the same time, the company holds PKR 600 million in surplus funds currently earning 21% p.a. in a term deposit maturing in 60 days. Which describes the CORRECT financial impact and the recommended management action? **[6 marks]**

- (A) The policy rate rise reduces financing costs, so no action is needed.
- (B) The LC financing costs will rise materially on rollover. The GM should assess whether surplus funds can be redeployed to partially fund the LC obligation at maturity, reducing reliance on floating-rate bank financing — and reinvest remaining surplus at the new higher rates.
- (C) The company should immediately break the term deposit to repay the LCs regardless of early encashment penalties.
- (D) The surplus funds and the LCs are separate matters — they should be managed independently without netting analysis.

Answer: (B) A 300bp rate rise directly increases floating-rate LC financing costs on rollover. The strategically sound response integrates treasury and financing decisions — using maturing surplus to reduce bank borrowing need while also capturing higher reinvestment rates. This is core GM-level treasury judgment.

Q4. A company's external auditors issue a management letter after the statutory audit noting that 'bank reconciliations for three accounts were not completed for two consecutive months, resulting in unreconciled differences totalling PKR 42 million.' The CFO has asked the GM (Finance & Accounts) for a formal response. Which response is MOST appropriate? **[6 marks]**

- (A) Inform the CFO that the reconciliations are now complete and the matter is closed.
- (B) Dispute the auditor's finding on the grounds that bank reconciliations are a routine administrative task not material to the financial statements.
- (C) Acknowledge the finding, confirm the current status of each reconciling item, provide a root cause analysis (resource gap, system issue, or control failure), implement a control requiring GM sign-off on all reconciliations monthly, and present a time-bound remediation plan to the CFO and Audit Committee.
- (D) Escalate the matter to the Board without first investigating the root cause, as all audit findings must be reported immediately.

Answer: (C) A management letter finding requires a structured response: acknowledge, investigate root cause, remediate the specific items, and strengthen the control to prevent recurrence. Option A is superficial; B is professionally indefensible; D is premature without analysis.

Q5. A company's annual budget for the coming year has been prepared using the prior year actuals as the base, with an 8% increase applied uniformly across all cost lines. The CFO challenges this methodology in the budget review meeting. **[6 marks]**

<p>The GM (Finance & Accounts) should recognise that the PRIMARY weakness of this approach is:</p>	
<p>(A) It does not incorporate inflation adjustments for foreign currency cost items.</p>	
<p>(B) It perpetuates inefficiencies — costs that were unnecessary or poorly controlled in the prior year are automatically rolled forward and increased, without any justification of whether the spend is still needed or at what level.</p>	
<p>(C) An 8% increase is too low given current inflation; the increase should be at least 15%.</p>	
<p>(D) Uniform percentage increases violate PPRA Rules for budget preparation in government entities.</p>	
<p>Answer: (B)</p>	<p>This is the fundamental weakness of incremental budgeting — it institutionalises prior inefficiencies. The GM should recognise this and recommend at minimum a challenge process for discretionary lines, or hybrid zero-based budgeting for high-value cost centres.</p>

SECTION A — ANSWER KEY SUMMARY

Q1	Q2	Q3	Q4	Q5	Note
(B)	(C)	(B)	(C)	(B)	<i>Actual CBT will present different randomised questions at the same difficulty level.</i>

SECTION B — ENGLISH LANGUAGE & COMPREHENSION [20 Marks | 5 Questions | 4 Marks Each]

Difficulty level: Professional management. Questions test general English language proficiency — reading comprehension, vocabulary precision, formal writing register, and grammar — at an executive professional level.

Q6. Four versions of the same internal circular are drafted below. Which is MOST appropriate for a formal circular issued by a government organisation to all staff? **[4 marks]**

(A) Hey everyone — just a heads up that office hours are changing next month to 8:30, so please start coming in at that time instead of 9. Thanks!

(B) Please be informed that the organisation's office hours have been revised with effect from 1 [Month]. The new working hours shall be from 8:30 a.m. to 4:30 p.m. All staff are required to comply accordingly. For queries, contact the HR Department.

(C) Office timings changing: 8:30 to 4:30 from next month. Everyone must be on time or face disciplinary action.

(D) The new timings, which management has decided upon, will be 8:30 and all staff should know this and act accordingly.

Answer: (B)

Option B uses correct formal register for a government circular: precise effective date, formal construction ('with effect from', 'shall be'), a clear compliance instruction, and a point of contact. Options A and D are informal; Option C is inappropriately threatening.

Q7. Choose the sentence that correctly uses the word 'comprise' (without adding 'of'): **[4 marks]**

(A) The review panel is comprised of three independent experts and two internal nominees.

(B) The task force comprises of a director, two managers, and a legal advisor.

(C) The task force comprises a director, two managers, and a legal advisor.

(D) The steering committee will be comprised by representatives from all five departments.

Answer: (C)

'Comprise' means 'consist of' and does not take 'of' — the whole comprises the parts. Correct: 'The task force comprises a director...' The passive 'be comprised of' (A and D) is widely used but grammatically disputed; the preferred formal construction is the active form without 'of'. Option B incorrectly adds 'of'.

Q8. Read the following passage and identify the inference MOST STRONGLY supported by it: 'The review panel noted that while the organisation had made commendable strides in expanding its operational footprint, the absence of a formal succession planning framework remained a significant vulnerability. Three of its five senior leadership positions had experienced unplanned vacancies in the past two years, each requiring six to eight months to fill at considerable cost to operational continuity.' **[4 marks]**

- (A) The organisation should immediately recruit five new senior managers to fill all current vacancies.
- (B) The operational expansion programme should be halted until all leadership positions are stabilised.
- (C) The organisation's growth has outpaced its investment in leadership pipeline development, creating a recurring and costly operational risk.
- (D) The review panel has recommended that a succession planning framework be completed within six months.

Answer: (C)

Option C accurately integrates both elements of the passage: growth occurred, but it was not matched by leadership development, resulting in repeated costly vacancies. Option A is not stated; Option B is not a recommendation in the passage; Option D adds a specific timeline not mentioned in the extract.

Q9. A manager submits this sentence for inclusion in a formal annual report: 'We done a lot of good work this year and our performance is better than it was before by quite a bit.' Identify the THREE MOST significant deficiencies. **[4 marks]**

- (A) Grammatical error ('done' instead of 'have done' or 'did'), absence of quantified performance data ('quite a bit' is unmeasured), and informal register throughout that is wholly inappropriate for a formal annual report.
- (B) The sentence is too positive — formal reports should avoid claiming good performance without caveats.
- (C) 'Before' should be replaced with 'previously' — this alone would make the sentence acceptable.
- (D) The sentence does not identify the responsible department, making attribution unclear.

Answer: (A)

Three distinct deficiencies: (1) 'done' is grammatically incorrect — 'have done' or 'did' is required; (2) 'quite a bit' is vague and unquantified — a formal report requires specific figures or percentages; (3) the overall register is informal and inappropriate for a formal governance document.

Q10. In formal professional writing, the Latin phrase 'mutatis mutandis' appears in a policy document extending the terms of one agreement to a related but distinct situation. It most precisely means: **[4 marks]**

- (A) Without any changes whatsoever — the terms apply identically in all circumstances.
- (B) With the necessary changes having been made — the terms apply to the new situation with appropriate modifications where the context requires.
- (C) Subject to legal review and final approval before the terms take full effect.
- (D) As an exception to the general rule, applicable only in specified extraordinary circumstances.

Answer: (B)

'Mutatis mutandis' (Latin: 'having changed what needs to be changed') signals that a clause or set of rules is applied to a new situation with the modifications necessary to make it fit — not verbatim replication. It is widely used in governance documents, contracts, and policy frameworks.

SECTION B — ANSWER KEY SUMMARY

Q6	Q7	Q8	Q9	Q10	Note
(B)	(C)	(C)	(A)	(B)	<i>Actual CBT will present different randomised questions at the same difficulty level.</i>

SECTION C — TECHNICAL / PROFESSIONAL KNOWLEDGE [50 Marks | 5 Questions | 10 Marks Each]

Difficulty level: Senior management / executive. All questions are scenario-based and require integration of multiple technical concepts. Definitions alone are not sufficient to answer correctly.

Q11. A company has PKR 1.2 billion in surplus funds. The Finance Committee has approved two investment options: Option A — invest 100% in 6-month PIBs at 22% p.a. Option B — invest 60% in 3-month T-Bills at 21% p.a. and 40% in 6-month PIBs at 22% p.a. The payment schedule shows a PKR 720 million commodity import LC falling due in exactly 3 months. Which option is MOST financially prudent, and why? **[10 marks]**

- (A) Option A — full PIB investment maximises yield; the LC can be financed from bank borrowing at rollover if needed.
- (B) Option B — the 60% T-Bill tranche (PKR 720m) matures precisely when the LC falls due, eliminating the need to borrow at market rates, while the 40% PIB tranche (PKR 480m) continues earning the higher 22% yield. This balances liquidity management with return optimisation.
- (C) Option A — PIBs can be used as collateral for bank financing at no cost, so liquidity is not a concern.
- (D) Neither option — all funds should be kept in a current account to ensure maximum flexibility.

Answer: (B)

Option B is optimal because the T-Bill maturity is matched precisely to the LC payment date, avoiding expensive short-term borrowing, while PIBs capture the higher yield on the balance not immediately needed. Option A ignores the liquidity mismatch; Option C is incorrect because using securities as collateral incurs banking fees and rollover risk.

Q12. A company purchased a storage facility for PKR 200 million. Under IAS 16, the company applies the revaluation model; the asset was revalued upward by PKR 60 million to PKR 260 million. For tax purposes under ITO 2001, the asset is depreciated at 10% p.a. (straight-line) on cost. After one full year, the tax written-down value is PKR 180 million. The applicable income tax rate is 29%. Which statement CORRECTLY describes the deferred tax position? **[10 marks]**

- (A) A deferred tax liability of PKR 23.2 million arises on the total temporary difference of PKR 80 million (PKR 260m IFRS carrying value minus PKR 180m tax base).
- (B) No deferred tax arises because the revaluation surplus is recognised in OCI, not profit or loss.
- (C) A deferred tax asset of PKR 23.2 million arises because the IFRS value exceeds the tax base.
- (D) The deferred tax is recognised only when the asset is sold.

Answer: (A)

IAS 12 requires deferred tax on all temporary differences between IFRS carrying value and tax base. Total temporary difference = PKR 260m – PKR 180m = PKR 80m. DTL = 80m × 29% = PKR 23.2m. The deferred tax on the revaluation surplus component is recognised in OCI; the deferred tax on the depreciation timing difference is in profit or loss. Option B is a common misconception.

Q13. An international wheat supplier offers a 2% early payment discount if payment is made within 15 days instead of the standard 60-day credit term. The company's current weighted average cost of short-term bank borrowing is 22% p.a. Should the GM (Finance & Accounts) recommend accepting or declining the discount, and on what basis? **[10 marks]**

(A) Decline — early payment always increases working capital pressure and should be avoided regardless of the discount rate.

(B) Accept — early payment discounts should always be taken to maintain strong supplier relationships.

(C) Accept — the annualised cost of not taking the discount is approximately 16.6% (calculated as $2/98 \times 365/45$), which is materially lower than the company's 22% borrowing cost. Paying early is cheaper than borrowing to maintain the credit period.

(D) Decline — the 2% discount is not material enough to justify the working capital impact.

Answer: (C)

The annualised cost of foregoing the discount = $(2/98) \times (365/45) = 2.04\% \times 8.11 = 16.55\%$ p.a. Since the borrowing rate (22%) exceeds this cost, paying early and borrowing if needed is cheaper than taking the full credit period. This is a standard treasury decision framework.

Q14. A company's ERP system is configured as follows: The Procurement Officer can (i) raise purchase orders, (ii) self-approve POs up to PKR 3 million, and (iii) record goods receipt. The Finance Officer can (iv) process supplier invoices for payment and (v) self-approve payments up to PKR 5 million. Which combination represents the MOST CRITICAL segregation of duties (SOD) violation? **[10 marks]**

(A) The Procurement Officer having both roles (i) and (iii) — raising POs and receiving goods.

(B) The Finance Officer having both roles (iv) and (v) — processing and approving payments.

(C) The Procurement Officer controlling the entire purchase-to-receipt cycle (i, ii, iii simultaneously) — creating, approving, and confirming receipt of the same transactions with no independent checkpoint.

(D) The Finance and Procurement functions being managed by different departments without shared reporting.

Answer: (C)

While Options A and B are both SOD concerns, Option C is the most critical because one individual controls all three phases of the procurement cycle: originate, approve, and confirm delivery — enabling fictitious purchases to be created and received by the same person. This is the highest fraud risk scenario.

Q15. A government trading company's financial results for the year show: Revenue PKR 48 billion | Gross Profit PKR 2.3 billion (GP margin 4.8%) | Operating Expenses PKR 1.5 billion | EBIT PKR 0.8 billion | Finance Costs PKR 1.1 billion | Net Loss PKR (0.3 billion). The line Ministry has asked for a financial performance briefing. Which analysis reflects the MOST ACCURATE and strategically useful interpretation? **[10 marks]**

(A) The entity is commercially non-viable — a net loss means it should be wound up or privatised.

(B) The net loss is entirely attributable to poor revenue management; the entity should increase commodity trading margins.

(C) The gross margin of 4.8% reflects the structurally thin trading margins inherent in regulated commodity operations. The net loss is driven by finance costs of PKR 1.1 billion exceeding EBIT of PKR 0.8 billion — the issue is not operational performance but the cost of capital. The Ministry's attention should focus on whether the balance sheet structure and import financing arrangements can be optimised.

(D) The financial results are satisfactory given that the entity operates in a public interest capacity and profit is not the primary objective.

Answer: (C)

The correct interpretation separates operational performance (GP margin) from financial structure (finance costs). The entity's EBIT is positive — it is operationally viable. The net loss is a capital structure problem, not an operating failure. Options A and D represent opposite extremes; B misidentifies the root cause.

SECTION C — ANSWER KEY SUMMARY

Q11	Q12	Q13	Q14	Q15	Note
(B)	(A)	(C)	(C)	(C)	<i>Actual CBT will present different randomised questions at the same difficulty level.</i>

COMPETENCY MAPPING & CBT EVALUATION FRAMEWORK

The table below maps the model paper question categories to competencies required for the GENERAL MANAGER (FINANCE & ACCOUNTS) role at TCP.

Section	Topic Area	Qs	Marks	Primary Competency	JD Alignment
Section A	Macro/fiscal judgment, trade policy, SOE finance, audit response, budget management	5	30	Analytical Ability + Strategic Orientation	Budget, investment policy, financial strategy
Section B	General English language proficiency — reading comprehension, vocabulary, writing register, grammar	5	20	Communication	CFO/Ministry reporting, Board papers
Section C	Treasury/liquidity, IFRS deferred tax, discount analysis, SOD, financial ratio interpretation	5	50	Technical Expertise + Analytical Ability	All core JD responsibilities

CBT EVALUATION FRAMEWORK

MARKING METHODOLOGY

All questions are MCQ — fully objective. Each question carries the section-prescribed marks; no partial credit; no negative marking. The CBT platform automatically scores all responses at submission. Results (complete merit list in order of scores) are published within 48 hours of the examination as required under TCP RFP Clause 8(f).

RANDOMISATION AND QUESTION BANK

The actual examination draws questions randomly from a pre-approved, vetted question bank. Each candidate receives a unique set of questions covering the same sections, weightages, and difficulty levels as this model paper. This approach ensures examination integrity, prevents paper leakage, and supports merit-based, transparent selection in compliance with PPRA Rules 2004.

SHORTLISTING GUIDELINES

Candidates scoring 50% or above qualify for the next stage of the selection process. CBT scores are combined with other assessment criteria — qualifications, experience, and further evaluation stages — to determine merit order for final consideration by TCP per RFP Clause 8(g).

— END OF MODEL TEST PAPER —