

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

## MODEL TEST PAPER

### GENERAL MANAGER (INTERNAL CONTROL & COMPLIANCE)

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 (INTERNAL CONTROL & COMPLIANCE) — 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.** A company's management has established a 'Compliance Monitoring Unit' (CMU) reporting directly to the CEO, staffed by personnel seconded from the Procurement and Finance departments. Under the Three Lines of Defence model, which CRITICAL governance deficiency does this arrangement create? **[6 marks]**

- (A) The CMU should be larger — at least 10 staff members — to be effective.
- (B) Staff seconded from operational departments are monitoring functions they themselves previously operated, which compromises independence. The CMU cannot provide credible second- or third-line assurance without structural separation from the functions it monitors.
- (C) The CMU should report to the Board directly rather than the CEO, but staffing from operations is acceptable.
- (D) The Three Lines model is a private sector construct and does not apply to government commercial organisations.

**Answer: (B)**

Independence is the cornerstone of both the second and third lines. Seconding staff from the very functions being monitored creates a structural conflict — they may be reviewing their own prior work or protecting colleagues. This undermines the entire assurance value of the CMU.

**Q2.** A company receives a large advance payment from an overseas buyer for a commodity sale. The buyer's KYC documentation is incomplete, the source of funds is undisclosed, and the payment was routed through three intermediary jurisdictions. The GM (IC&C) is informed. Under Pakistan's AML/CFT framework and sound compliance practice, the FIRST action should be: **[6 marks]**

- (A) Accept the payment and request the missing documentation within 30 days to avoid losing the sale.
- (B) Accept partial documentation and proceed if the payment amount is below the mandatory reporting threshold.
- (C) Place the transaction on hold, conduct enhanced due diligence, and if the suspicious indicators cannot be resolved through clarification, file a Suspicious Transaction Report (STR) with the FMU — regardless of the commercial impact.
- (D) Refer the matter to the FIA and take no further internal action until law enforcement advises.

**Answer: (C)**

Under Pakistan's Anti-Money Laundering Act 2010 and FATF standards, incomplete KYC with multiple red flags triggers enhanced due diligence obligations. Acceptance on the basis of commercial convenience is a compliance failure. STR filing with the FMU is mandatory when suspicion cannot be resolved — commercial considerations do not override AML obligations.

**Q3.** A senior officer at a government commercial entity discloses a potential conflict of interest in a written declaration but management takes no further action — neither recusing the officer from the relevant procurement decision, nor documenting why the conflict was deemed immaterial. Six months later, the same officer awards a significant contract to the conflicted vendor. From a corporate governance perspective, the PRIMARY failure in this chain of events was: **[6 marks]**

- (A) The officer's disclosure itself — conflicts should not be declared unless they are certain to affect a decision.
- (B) Disclosure alone does not discharge the governance obligation. Management's failure to actively manage, mitigate, or formally accept the conflict with documented Board-level oversight allowed a foreseeable risk to materialise. The conflict of interest policy had been satisfied procedurally but not substantively.
- (C) The Board Audit Committee should have detected the conflict during its regular meetings.
- (D) This is an HR matter — the conflict should have been referred to the HR department for resolution under the employment contract.

**Answer: (B)**

Disclosure is a necessary but insufficient step. Corporate governance principles require active management of declared conflicts — recusal, additional oversight, or a formal documented determination that the conflict is immaterial. Management's inaction converted a manageable risk into an actual integrity breach.

**Q4.** During an annual risk assessment, the following risk is identified: 'Dependence on a single commercial bank for all import LC facilities.' The inherent risk is rated High/High (likelihood and impact). Two controls exist: (a) a secondary banking relationship for emergency use, and (b) the primary bank holds an AA- credit rating. After applying these controls, how should the RESIDUAL risk be classified, and why? **[6 marks]**

- (A) Low — an AA- rated bank has negligible default probability, eliminating the risk.
- (B) High — no control can fully mitigate concentration risk in a single banking relationship.
- (C) Medium — the secondary bank relationship reduces the likelihood of an unmanageable disruption, but the impact of primary bank failure or regulatory action remains High. The residual rating of Medium reflects partial mitigation of likelihood without reducing impact.
- (D) The risk cannot be rated without a full quantitative analysis of the bank's financial statements.

**Answer: (C)**

The secondary bank relationship reduces likelihood (a backup exists) but does NOT reduce impact (a primary bank failure would still cause significant operational disruption while the secondary relationship is activated). Controls that reduce likelihood but not impact typically move a High/High risk to Medium. Option A underestimates systemic risk; B ignores the effect of controls.

**Q5.** A newly appointed CEO instructs the GM (IC&C) to approve a procurement contract that bypasses the approved vendor list and does not follow competitive bidding, citing 'business urgency.' The GM believes this violates PPRA Rules 2004. The MOST appropriate course of action is: **[6 marks]**

**(A)** Comply with the CEO's instruction — the CEO is the highest executive authority and the GM must follow management directives.

**(B)** Refuse, submit a resignation letter, and report the matter to NAB immediately.

**(C)** Formally document the compliance concern in writing to the CEO, provide a specific legal basis for the concern (PPRA Rule reference), recommend compliant alternatives within the urgency timeframe, and if the CEO proceeds regardless, escalate to the Board Audit Committee through the IC&C charter's escalation mechanism.

**(D)** Implement the procurement to avoid conflict, and raise the issue in the next quarterly compliance report.

**Answer: (C)**

The GM (IC&C) must exercise professional independence through the correct governance channels — not by passive compliance or premature external escalation. The sequence is: document, advise, recommend alternatives, and escalate internally if overruled. Option A abdicates professional responsibility; Option B is disproportionate; Option D creates personal liability.

### SECTION A — ANSWER KEY SUMMARY

Q1	Q2	Q3	Q4	Q5	Note
(B)	(C)	(B)	(C)	(C)	<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 opening sentence for a report to senior management are given below. Which is MOST appropriate? **[4 marks]**

- (A) We have looked into the matter you raised and found some things that need fixing right away.
- (B) This report presents the findings and recommendations arising from the review conducted in accordance with the terms of reference approved on [date].
- (C) After checking everything out, we found a few issues and here are our suggestions for fixing them.
- (D) The review is now done and we are sharing what we found with you.

**Answer: (B)**

Option B uses correct formal report register: it references its mandate (terms of reference), frames the document's purpose precisely, and uses professional language throughout. Options A, C, and D use informal language ('looked into', 'checking everything out', 'done', 'sharing what we found') entirely inappropriate for a formal management report.

**Q7.** Choose the sentence that correctly uses 'infer' as distinct from 'imply': **[4 marks]**

- (A) Based on the data presented, the report inferred that performance had declined significantly.
- (B) The findings infer a need for immediate corrective action.
- (C) The report implied that senior management had been unaware of the problem for several months.
- (D) The committee inferred its position clearly in the opening paragraph.

**Answer: (C)**

'Imply' means to suggest indirectly (a writer or speaker implies); 'infer' means to draw a conclusion from evidence (a reader or listener infers). Only people — or, by extension, readers — infer; reports, data, and findings imply. Option C correctly uses 'implied' for a report. Options A, B, and D misuse 'infer' where 'imply' is required.

**Q8.** Read the following passage: 'A recent review revealed that staff at junior and middle management levels reported receiving operational instructions through multiple informal channels — verbal messages, instant messaging, and undocumented phone calls — with formal written directives issued only for major policy changes. As a result, several important procedural updates had not been consistently applied across departments.' What is the MOST ACCURATE characterisation of the problem? **[4 marks]**

- (A) Staff are failing to read formal written directives that have been properly issued to them.

(B) The organisation relies excessively on informal communication channels for operational instructions, resulting in inconsistent implementation of procedural updates.

(C) Middle managers should be replaced with staff who follow instructions more reliably.

(D) The solution is to consolidate all communications onto a single instant messaging platform.

**Answer: (B)**

Option B correctly identifies both the root cause (reliance on informal channels) and the consequence (inconsistent procedural implementation). Option A contradicts the passage; Options C and D propose solutions not suggested by the extract and misidentify where the problem lies.

**Q9.** A sentence from a formal letter reads: 'Please be advised that per our conversation of yesterday, the meeting has been rescheduled to accommodate your request, and we trust this will be most convenient for all concerned.' Identify the MOST significant issue for formal professional correspondence.

**[4 marks]**

(A) 'Per our conversation of yesterday' is imprecise for formal correspondence — letters may be read days or weeks later. The reference should cite the specific date (e.g., 'As discussed in our telephone conversation of [date]') rather than a relative time reference.

(B) The sentence is too polite — formal letters should be more direct and less deferential.

(C) 'Most convenient' is grammatically incorrect and should be 'more convenient'.

(D) The sentence should be split into two shorter sentences to improve readability.

**Answer: (A)**

In formal professional correspondence, vague relative time references ('yesterday') become meaningless when a letter is read after a delay. Precise dating is the professional standard because it creates a permanent, unambiguous record of when the relevant communication occurred.

**Q10.** The word 'unequivocal' appears in an official statement: 'The Board's position is unequivocal.' It most precisely means:

**[4 marks]**

(A) The Board's position is preliminary and subject to further discussion at the next meeting.

(B) The Board's position is clear and definitive, leaving no room for doubt or alternative interpretation.

(C) The Board's position has been adopted unanimously by all members present.

(D) The Board's position is formally documented in the minutes and legally binding.

**Answer: (B)**

'Unequivocal' means admitting of no doubt or misunderstanding — completely clear and definitive. It does not mean preliminary (A), unanimous (C — a different and separate concept), or formally documented (D). Using it correctly signals an absolute, final position with zero ambiguity.

## SECTION B — ANSWER KEY SUMMARY

Q6

Q7

Q8

Q9

Q10

Note

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<b>(B)</b>	<b>(C)</b>	<b>(B)</b>	<b>(A)</b>	<b>(B)</b>	<i>Actual CBT will present different randomised questions at the same difficulty level.</i>
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**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 procurement team has used the 'single-source justification' exception three consecutive times for the same supplier, citing 'proprietary technology' in each case. A market scan identifies two other suppliers offering equivalent technology at competitive prices. Under PPRA Rules 2004, which response by the GM (IC&C) is MOST appropriate? **[10 marks]**

**(A)** Accept the justifications as they were documented and approved by the Head of Procurement at the time.

**(B)** Issue a general advisory to the procurement team reminding them to be more careful with single-source decisions in future.

**(C)** Classify this as a potential abuse of the single-source exception — the cumulative pattern suggests the exception is being used as a routine procurement mechanism rather than a genuine last resort. Initiate a formal compliance review to assess whether competitive bidding was wrongly circumvented, whether a conflict of interest exists, and escalate findings to the CFO and Audit Committee.

**(D)** Refer the matter directly to PPRA for a determination without conducting an internal review first.

**Answer: (C)**

A single-source exception applied three consecutive times to the same supplier — despite alternatives existing — is a systematic misuse of procurement rules. The GM (IC&C) must investigate the cumulative pattern, assess the conflict of interest risk, and escalate. Option A is passive acceptance; B is ineffective; D bypasses internal governance.

**Q12.** During a payroll fraud investigation, the IC&C team discovers a relevant email chain on the suspect officer's work computer. The suspect is currently on leave and unaware of the investigation. What is the CORRECT sequence of evidence handling actions? **[10 marks]**

**(A)** Print the emails immediately, confront the suspect on their return, and obtain a written explanation before taking any further steps.

**(B)** Share the emails with the suspect's department head to seek their assessment of the situation before proceeding with the investigation.

**(C)** Secure a forensic image of the relevant data through the IT department with documented chain-of-custody, preserve the originals without alteration, continue gathering corroborating evidence before approaching the suspect, and document every step in the investigation log.

**(D)** Delete any emails that are inconclusive to keep the investigation report focused and presentable.

**Answer: (C)**

Evidence handling must follow a disciplined process: forensic imaging (to preserve originals), documented chain-of-custody (to ensure legal admissibility), and completing evidence gathering

before confronting the suspect (to prevent destruction of remaining evidence). Options A and B risk alerting the suspect prematurely; Option D constitutes evidence tampering.

**Q13.** The GM (IC&C) is designing controls for a company's payment process. Four controls are proposed: (i) Automated system block preventing payment without a matched GRN and approved PO; (ii) Mandatory dual-officer authorisation for all payments above PKR 500,000; (iii) Supervisor-reviewed exception report generated weekly listing payments with no linked purchase order; (iv) Monthly bank reconciliation identifying all unrecorded or erroneous payments. Which ranking — from MOST preventive to MOST detective — is CORRECT? **[10 marks]**

**(A)** (i), (ii), (iii), (iv) — system block prevents, dual auth prevents, exception report detects promptly, reconciliation detects late.

**(B)** (ii), (i), (iv), (iii) — dual auth is strongest preventive, then system block, then reconciliation, then exception reporting.

**(C)** (iv), (iii), (i), (ii) — reconciliation is most important, then exception reporting, then system controls.

**(D)** (iii), (iv), (ii), (i) — reporting is always more important than system controls.

**Answer: (A)**

Preventive controls stop errors before they occur; detective controls find them after. The system block (i) is the strongest preventive — automated and cannot be bypassed. Dual authorisation (ii) is preventive but human-dependent. The weekly exception report (iii) detects anomalies relatively promptly. Monthly bank reconciliation (iv) is the most lagging detective control.

**Q14.** A Board Audit Committee asks the GM (IC&C) to assess whether the Control Environment is effective. During the review: (a) the Code of Conduct has not been distributed or acknowledged in three years; (b) the internal audit plan was completed at 80% due to resource constraints; (c) there are some unresolved ERP access conflicts being remediated; (d) variance reports are submitted 5 days after month-end instead of the 3-day target. Which observation MOST indicates a fundamentally weak Control Environment? **[10 marks]**

**(A)** Observation (b) — the internal audit plan was not fully completed.

**(B)** Observation (d) — variance reports are two days late.

**(C)** Observation (a) — the Code of Conduct has not been communicated or acknowledged for three years, indicating that the ethical culture and tone underpinning all other controls has been neglected.

**(D)** Observation (c) — unresolved ERP access conflicts represent a significant IT control weakness.

**Answer: (C)**

The Control Environment is the foundation of COSO — it sets the ethical tone, governance structure, and cultural conditions under which all other controls operate. A Code of Conduct neither distributed nor acknowledged for three years means the entire ethical framework has been allowed to atrophy. This is more fundamental than operational shortfalls (b, d) or specific technical issues (c).

**Q15.** Following an internal investigation, the GM (IC&C) concludes that a procurement officer systematically split contracts over 18 months to circumvent **[10 marks]**

<p>competitive bidding, causing the company an estimated loss of PKR 12 million. Which set of recommendations MOST comprehensively addresses both individual accountability and systemic control failures?</p>	
<p><b>(A)</b> Terminate the procurement officer and increase the competitive bidding threshold to reduce future administrative burden.</p>	
<p><b>(B)</b> Issue a warning letter to the procurement officer, brief the full procurement team on PPRA Rules, and close the matter.</p>	
<p><b>(C)</b> For the individual: initiate formal disciplinary proceedings, suspend pending outcome, and if fraud is substantiated, terminate and refer to legal counsel for potential NAB/FIA referral and civil recovery. For the system: implement automated threshold monitoring that flags same-vendor cumulative awards; require IC&amp;C pre-approval for repeat single-vendor awards; introduce mandatory conflict of interest re-declarations quarterly; and commission a retrospective review of all contracts awarded by the officer.</p>	
<p><b>(D)</b> Refer the matter to PPRA for a determination and await their instructions before taking any internal action.</p>	
<p><b>Answer: (C)</b></p>	<p>A comprehensive response to confirmed fraud must operate on two tracks: individual accountability (disciplinary action, legal referral, civil recovery) and systemic remediation (controls to prevent recurrence). Option A only partially addresses both; Option B is disproportionately light for a PKR 12 million fraud; Option D surrenders internal governance responsibility.</p>

**SECTION C — ANSWER KEY SUMMARY**

Q11	Q12	Q13	Q14	Q15	Note
<b>(C)</b>	<b>(C)</b>	<b>(A)</b>	<b>(C)</b>	<b>(C)</b>	<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 (INTERNAL CONTROL & COMPLIANCE) role at TCP.*

Section	Topic Area	Qs	Marks	Primary Competency	JD Alignment
Section A	Three-lines model (applied), AML/CFT scenario, conflict of interest, residual risk, CEO instruction handling	5	30	Governance Awareness + Leadership Judgment	Risk mgmt, compliance, due diligence, SOE governance
Section B	General English language proficiency — reading comprehension, vocabulary, writing register, grammar	5	20	Communication	BAC reporting, advisory notes, investigation reports
Section C	PPRA abuse detection, investigation evidence handling, control ranking, COSO control environment, fraud remediation	5	50	Technical Expertise + Risk Thinking + 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 —**