ICMA INTERNATIONAL
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MODEL PAPERS
[COMPUTER BASED EXAMINATIONS]

- **Operational Level-1**
  - ➤ [O2] Gen. AI & Business Productivity

- **Managerial Level-2**
  - ➤ [M4] Digital Accounting & Financial Modelling
  - ➤ [M6] Corporate Framework & Reporting

- **Strategic Level-1**
  - ➤ [S2] Advance Taxation
  - ➤ [S3] Corporate Laws, Governance & Ethics

Effective from February 2026 Examinations

EXAMINATION DEPARTMENT

Time Allowed: 02 Hours 30 Minutes   **Maximum Marks: 100**

MULTIPLE CHOICE QUESTIONS (MCQs):

1. What best defines Generative AI?

A	AI that classifies data
B	AI that predicts numeric outcomes
C	AI that generates new content based on learned patterns
D	AI that only retrieves stored information

2. Which model type is most commonly associated with Generative AI?

A	Decision Trees
B	Linear Regression
C	Transformers
D	K-Nearest Neighbors

3. What is the primary role of tokens in Large Language Models (LLMs)?

A	Store images
B	Represent units of text
C	Encrypt data
D	Measure accuracy

4. Hallucination in Generative AI refers to:

A	Model crash
B	Incorrect but confident responses
C	Training failure
D	Data loss

5. Which factor most affects Generative AI output quality?

A	Screen resolution
B	Prompt design
C	Keyboard speed
D	Internet bandwidth

6. A well-structured prompt should ideally include:

A	Random words
B	Context, task, and constraints
C	Emojis only
D	Source code

7. What does "role prompting" mean?

A	Assigning a job to a user
B	Defining the AI's persona
C	Switching roles
D	Limiting responses

8. Which element improves output consistency?

A	Ambiguity
B	Clear constraints
C	Randomness
D	Short prompts only

9. Chain-of-thought prompting helps by:

A	Shortening answers
B	Forcing memorization
C	Encouraging step-by-step reasoning
D	Reducing computation

10. What is temperature in LLM prompting?

A	Hardware heat
B	Token size
C	Randomness of output
D	Training speed

11. Over-prompting may cause:

A	Clear output
B	Faster results
C	Better accuracy
D	Confusion or irrelevant responses

12. What is the main goal of Ethical AI?

A	Maximize model accuracy only
B	Ensure AI systems are fair, transparent, and responsible
C	Replace human decision-making
D	Increase computational speed

13. AI bias most commonly occurs due to:

A	Hardware limitations
B	Poor internet connectivity
C	Unrepresentative training data
D	Model size

14. Transparency in AI systems refers to:

A	Open-source licensing
B	Ability to explain how decisions are made
C	Clear user interface
D	Faster outputs

15. Data privacy in AI emphasizes:

A	Protecting personal and sensitive information
B	Collecting as much data as possible
C	Storing data indefinitely
D	Sharing data publicly

16. What is accountability in AI systems?

A	AI making autonomous decisions
B	Eliminating human involvement
C	Increasing automation
D	Humans being responsible for AI outcomes

17. What does "human-in-the-loop" mean?

A	AI replaces humans completely
B	Humans supervise or intervene in AI decisions
C	AI works offline
D	Humans label all data

18. No-code chatbot platforms allow users to:

A	Write Python scripts
B	Build chatbots using visual tools
C	Train neural networks manually
D	Modify model weights

19. The main advantage of no-code chatbot development is:

A	High complexity
B	Better hardware control
C	Faster deployment
D	Manual tuning

[Note: The questions made available through this Model Paper reflects the pattern of questions to be tested in exams. However, their numbers will vary as per the Question Paper Pattern and Structure (QPPS) and respective weightage of the subject.]

20. Intents in chatbots represent:

A	User emotions
B	Database queries
C	UI design
D	User goals or purposes

21. Entities in chatbots are used to:

A	Store logs
B	Extract specific information
C	Improve graphics
D	Increase speed

22. A fallback intent is triggered when:

A	The chatbot starts
B	Internet disconnects
C	Training completes
D	User input is unclear

23. Context in a chatbot helps to:

A	Improve UI
B	Reduce storage
C	Increase speed
D	Remember previous interactions

24. Which best describes Artificial Intelligence (AI)?

A	A new programming language
B	A branch of science focused on teaching computers to make decisions or perform tasks that normally require human intelligence
C	Robots that look like humans
D	High-speed internet

25. In the Elements of AI course, supervised learning refers to:

A	Computers organizing files
B	Learning from labeled training data
C	Watching videos supervised by a human
D	Browsing social media

26. The nearest neighbor classifier is used for:

A	Predicting weather
B	Generating music
C	Classifying data based on similarity
D	Encrypting messages

27. Regression in machine learning is used to:

A	Group data into categories
B	Generate text
C	Predict class label of the input data
D	Predict a continuous outcome from input data

28. What is the primary impact of Gen-AI on business productivity?

A	Reducing employee salaries
B	Automating routine tasks and improving decision-making
C	Increasing physical office space
D	Decreasing customer satisfaction

29. Which of the following is a challenge in deploying Gen-AI in the banking sector?

A	Data privacy and security concerns
B	Lack of physical space in the bank
C	Overabundance of manual labor
D	Too many customer service representatives

30. Which tool is essential for Gen-AI deployment in the banking sector?

A	Simple spreadsheets
B	Cloud-based AI platforms like AWS SageMaker
C	Office management software
D	Physical banking infrastructure

DESCRIPTIVE QUESTIONS:

1. Argument: "We should immediately integrate a generative AI content writer into our marketing team. A competitor implemented a similar tool and saw a 300% increase in their content output within one quarter, significantly boosting their web traffic."
Which of the following, if true, most seriously weakens the argument for immediate integration?
A) The competitor's AI tool was extensively customized with their brand voice and product data, a process taking six months.
B) The marketing team currently spends 40% of its time on non-content tasks like campaign strategy and market analysis.
C) Studies show that audiences are becoming more receptive to content they know is AI-generated.
D) The proposed AI tool has a known tendency to generate plausible but incorrect historical dates for industry milestones.
E) A 300% increase in content output typically requires a proportional increase in content editing and quality assurance resources.

Solve/ Type Your Answer Here

2. (KNN classification) A KNN classifier uses **k=3** and distance formula,

$$d = |x_1 - x_2| + |y_1 + y_2|$$

with training points A (1,1) Red, B (2,2) Red, C (4,4) Blue, D (5,5) Blue. A new point P (3,3) is classified. What is the predicted class?
A) Red
B) Blue
C) Tie – cannot classify
D) Depends on scaling

Solve/ Type Your Answer Here

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3. **(KNN vs. Regression Reasoning)**
A data scientist must choose between a KNN model and a Linear Regression model for a new task: predicting the optimal selling price for unique, vintage collectibles (e.g., rare signed guitars) based on past auction data. The data set is small (~200 items) with complex, non-linear relationships between features (age, artist fame, condition, provenance).
Why would KNN be a more appropriate initial choice than Linear Regression for this scenario?
A) KNN provides more interpretable coefficients for each feature, which is crucial for business decisions.
B) KNN is better suited for small datasets and can capture complex patterns without assuming a linear relationship.
C) Linear Regression is prone to overfitting on datasets with more than two features.
D) KNN requires less computational resources for training, which is ideal for a small dataset.
E) The target variable (selling price) is continuous, which is a requirement for Linear Regression but not for KNN.

Solve/ Type Your Answer Here

4. **(From generic to specific financial report)** A finance analyst prompts an LLM: "Write a report on Q2 tech sector performance," but needs specific data on revenue growth, regulatory challenges, and stock volatility of top 5 companies.
Which strategy should be employed first to guide the LLM efficiently?
A) Zero-shot: "Write a detailed report…"
B) Few-shot: show two example reports
C) Role prompt: "You are a senior financial analyst…"
D) Iterative refinement: ask follow-ups
E) Chain-of-thought: step-by-step breakdown then synthesis

Solve/ Type Your Answer Here

5. **(CMA management reporting—who benefits most)** A CMA uses an LLM to convert unstructured notes into a first-draft executive summary for monthly management reporting.
Which role benefits most in this scenario?
A) Cash counter operator
B) Finance analyst preparing report summaries
C) Hardware technician
D) Network administrator

Solve/ Type Your Answer Here

6. **(Final advice risk—regulated environment)** A firm pilots an AI assistant for drafting emails and summarizing news. A junior asks for final guidance on a complex client matter involving legal exposure.
An LLM should NOT be fully trusted for:
A) Drafting customer emails
B) Summarizing financial news
C) Providing final legal or financial advice without human review
D) Explaining basic concepts

Solve/ Type Your Answer Here

7. **(Prompt Engineering - Scenario)**
A writer uses an LLM to brainstorm ideas for a sci-fi novel. The prompt "Give me ideas for a sci-fi novel" yields clichéd results (e.g., alien invasion, time travel paradox). The writer wants novel concepts that subvert common tropes.
Which revised prompt is most likely to generate the desired, non-cliché output?

A) "Give me 20 ideas for a sci-fi novel."
B) "Generate ideas for a sci-fi novel that are highly original and have never been done before."
C) "List common sci-fi tropes, then provide an innovative plot idea that cleverly subverts each one."
D) "You are a Pulitzer Prize-winning author. Write a sci-fi novel premise."
E) "Give me ideas for a story that is not sci-fi."

Solve/ Type Your Answer Here

8. **Prompt Engineering & Output Control**
A prompt engineer is tasked with getting a large language model (LLM) to generate a neutral, fact-based summary of a controversial historical event. The engineer uses the following prompt:
"Act as a historian. Summarize the key events of [Event X] in 200 words, citing only the most widely accepted facts from major academic textbooks."
The resulting summary, however, still contains subtle evaluative language (e.g., "the disastrous decision...").
What is the most effective next step in the prompt engineering process to achieve the desired neutral tone?

A) **Iterative Refinement:** Add to the prompt, "Ensure the tone is completely neutral and avoid any evaluative adjectives."

B) **Few-Shot Learning:** Provide the model with 2-3 examples of perfectly neutral summaries of other historical events.

C) **Role & Constraint Tuning:** Change the role to "Act as a archival documentarian" and add the constraint "Use only language that could appear in a museum timeline placard."

D) **Post-Processing:** Use a separate AI tool to strip out all subjective adjectives from the generated summary.

E) **Input Reduction:** Shorten the prompt to just "List facts about [Event X]" to avoid steering the model with complex instructions.

Solve/ Type Your Answer Here

THE END

Time Allowed: 03 Hours   **Maximum Marks: 100**

MULTIPLE CHOICE QUESTIONS (MCQs):

1. Which of the following is the most important area of concern in cloud computing?

A	Scalability
B	Security
C	Storage
D	All of these

2. An application that provides for transaction overflow in a reservation system is an example of which of the following?

A	cloud provisioning
B	cloud servicing
C	cloud bursting
D	All of these

3. What is Cloud Computing?

A	Cloud Computing is a tool used to create an accounting application
B	Cloud Computing means providing services like storage, servers, database, networking, etc.
C	Cloud Computing means storing data in a database
D	None of these

4. Which of the following is the application of cloud computing?

A	Google G Suite
B	Paypal
C	Adobe
D	All of these

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5. What are the 3 V's of big data?

A	Variety, variability and velocity
B	Volume, variability and variety
C	Variety, variance and velocity
D	Volume, velocity, and variety

6. Big data is characterized as:

A	Structured data
B	Semi-structured data
C	Quasi-structured data
D	All of these

7. Which of the following is not a phase of data analytics?

A	Model planning
B	Discovery
C	Testing
D	Operationalization

8. Which of the following sis not an advantage of a computerized accounting system?

A	Data storage
B	Environment friendly
C	Data corruption
D	Data reliability

9. Which of the following is a disadvantage of a tailor made accounting software?

A	It can be linked to another information system
B	It is difficult to learn and requires high tech training
C	It can be customized according to your requirements
D	The costs of installation and maintenance are high

10. Which feature distinguishes the most between computerized and manual accounting systems?

A	Increased complexity of data input
B	Use of physical ledgers
C	Absence of audit trails
D	Real-time data processing

11. A small business processes 100 invoices per month. The following two methods are used for invoice processing:

- Each invoice takes 10 minutes to process, resulting in a total of 1,000 minutes (approximately 16.6 hours) per month. The labour cost is Rs 2,500 per hour, resulting in a monthly cost of Rs 41,500.
- Using automation tools such as Hubdoc or Odoo, processing time is reduced to 2 minutes per invoice, resulting in 200 minutes (approximately 3.3 hours) per month. At the same labor rate, the monthly cost is Rs 8,250.

Calculate the monthly cost savings achieved by switching from manual entry to automated invoice processing.

A	About 50% reduction in administrative labor costs.
B	About 60% reduction in administrative labor costs.
C	About 80% reduction in administrative labor costs.
D	About 40% reduction in administrative labor costs.

12. An ice cream company uses correlation analysis to find a direct link between temperature and sales. It finds that for every 1 degree rise in temperature, sales increase by Rs 44,000.
If the forecast predicts a 5-degree increase next week, the accountant forecasts an additional revenue of:

A	Rs 120,000
B	Rs 440,000
C	Rs 220,000
D	Rs 280,000

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13. Management accountants use Linear Regression to predict future revenue based on independent variables like advertising spend or past sales. Your research has shown you the following model.

Predicted Sales= 3460 + (1.518 × Advertising Spend)
If the company plans to spend Rs 500,000 on advertising, the forecasted sales for the next week is:

A	Rs 762,460
B	Rs 759,100
C	Rs 760,450
D	Rs 659,000

14. A firm is choosing between opening a branch in Lahore or Islamabad. There is a 40% chance of Rs 150 Million payoff and a 60% chance of Rs 40 Million loss if the branch is opened in Lahore.
If the branch is opened in Islamabad, 30% chance of Rs 300 Million payoff; 70% chance of Rs 100 Million loss. The expected Value of the payoffs of Lahore and Islamabad are:

A	Rs 16 Million and Rs 10 Million
B	Rs 36 Million and Rs 20 Million
C	Rs 36 Million and Rs 10 Million
D	Rs 20 Million and Rs 10 Million

15. How does customizing the chart of accounts benefit a business?

A	It restricts the types of transactions that can be entered in the system
B	It forces standard reporting formats
C	It eliminates the need for audit trails
D	It tailors the financial structure to the business's needs

16. A statement made about a population for testing purpose is called:

A	Statistic
B	Hypothesis
C	Level of Significance
D	Test-statistic

17. What does the VLOOKUP function does in excel?

A	Calculates the maximum value of a range of cells
B	Calculates the minimum value of a range of cells
C	Calculates the average value of a range of cells
D	Looks up a range and returns the first corresponding value in a vertical table that matches exactly the specified input

18. What is the purpose of the ROUND function in Excel?

A	Calculates the average value of a range of cells
B	Calculates the minimum value of a range of cells
C	Rounds a single number to the nearest specified value, usually to a whole number
D	Calculates the maximum value of a range of cells

19. Sensitivity analysis evaluates projects by:

A	Testing for interrelated variables
B	Recording Profitability changes while changing some variables at a time
C	Ensuring that the sponsors of the project have the right incentives
D	Forecasting changes in interest rates that would increase financing costs

20. Which one of the following does not represent a system of Internal Control?

A	Safeguarding assets
B	Prevention and detection of fraud and error
C	Completeness of accounting records
D	Meeting sales targets

21. _____ is not a benefit of enterprise risk management.

A	Poor risk mitigation
B	Improved Capital Allocation
C	Management of multiple risks
D	Management of cross-enterprise risks

22. What is the purpose of forecasting cash flows in accounting systems?

A	To replace current account balances
B	To retrospectively analyze past transactions
C	To predict future liquidity needs and financial health
D	To simplify accounting procedures

23. How does scenario analysis benefit the budgeting process of a company?

A	By eliminating the need for multiple budgets
B	By eliminating the effect of fluctuations in economy
C	By evaluating different financial outcomes under varied conditions
D	By simplifying the standard financial reports

24. _____ implies a situation where the future events are unknown.

A	Internal risk
B	External risk
C	Probability
D	Uncertainty

25. Which of the following types of risk is identified by the difference between the net operating income and net cash flows?

A	Credit risk
B	Business risk
C	Market risk
D	Liquidity risk

26. _____ is a widely used measure to calculate the market risk of a security or portfolio.

A	Value at risk (VaR) analysis
B	Variance analysis
C	Beta analysis
D	Sensitivity analysis

27. ABC Limited's Forecast Assumptions for 2026 are as follows:
- Revenue Growth: 10% increase over 2025.
- Cost of Goods Sold (COGS): Remains at 60% of revenue (60% gross margin).
- Operating Expenses (OpEx): 5% increase over 2025.
- Interest Expense: Remain at Rs 200,000 (assumed fixed debt).
- Tax Rate: 25% of Pre-Tax Income (EBT).

The net income for the year 2026 in the projected income statement is:

A	1,350,000
B	1,450,000
C	1,150,000
D	Rs 1,575,000

28. A bank use a more specialized numerical model called Expected Loss (EL) to manage loan portfolios. It has provided you with the following information:
- Loan: Rs 10,000,000 (mortgage).
- Probability of Default (PD): 3% (0.03).
- Exposure at Default (EAD): Rs 7,000,000 remaining balance.
- Loss Given Default (LGD): 20% (0.20), meaning the bank expects to recover 80% through foreclosure.

The Expected Loss (EL) for the bank is:

A	Rs 22,700
B	Rs 34,800
C	Rs 42,000
D	Rs 28,000

29. There is a 20% likelihood of a potential data breach in a financial institution based on historical data. The impact of this breach is Rs 1,000,000 in potential fines and remediation costs. The company is considering a new security firewall as a cost-effective way to mitigate the risk. What is the maximum amount the company can spend on this firewall?

A	Rs 120,000
B	Rs 200,000
C	Rs 240,000
D	Rs 280,000

30. The forecast Income of a project is as follows:
Final Forecast Year EBITDA (Year 5): Rs 150 million
Industry Exit Multiple (EV/EBITDA): 12x (based on 2025 peer market data)
The terminal value of the project is:

A	Rs 1.8 Billion
B	Rs 1.4 Billion
C	Rs 1.2 Billion
D	Rs 1 Billion

DESCRIPTIVE QUESTIONS:

1. Digital accounting tools have currently taken center stage, allowing businesses to streamline their financial processes, gain insights, and make informed decisions. Discuss the latest digital tools and technologies transforming keeping accounts as well as financial management.

Solve/ Type Your Answer Here

2. Beyond simple automation, what is the role of "Predictive Accounting" in modern cloud platforms?

Solve/ Type Your Answer Here

3. In the context of latest "hyper-automation" strategies, how does the role of a Robotic Process Automation (RPA) bot differ from an AI agent when recording a company's accounting transactions?

Solve/ Type Your Answer Here

4. How would you describe Stress Testing in the context of risk management?

Solve/ Type Your Answer Here

5. How does the "Shared Responsibility Model" specifically protect businesses from data loss and security breaches in cloud accounting?

Solve/ Type Your Answer Here

6. Audit modeling for companies has shifted from traditional periodic testing toward continuous assurance and the governance of autonomous AI systems. In the context of modern audit modeling for a multi-entity corporation, what is the primary difference between a "Cell-by-Cell" review and a "Shadow Build" approach, and which is preferred for identifying a "duplicate cost deduction" error?

Solve/ Type Your Answer Here

7. Soft Solutions Incorporated is evaluating the terminal value of a renewable energy project.

The company has estimated the Free Cash Flow (FCF) in the final year of the explicit forecast period (Year 5) to be PKR 12.5 million. After Year 5, the project is expected to enter a steady growth phase, with cash flows growing at a perpetual annual rate of 3%.

The company's Weighted Average Cost of Capital (WACC) is estimated at 9.5%.

Requirement:
Calculate the Terminal Value (TV) of the project at the end of Year 5 using the Perpetuity Growth Model.

Solve/ Type Your Answer Here

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8. Noman Limited (NL) is a small Software-as-a-Service (SaaS) provider that reported total revenue of Rs.120 million for the fiscal year 2025.

For the fiscal year 2026, management has integrated agentic AI features into its core product. These enhancements are expected to generate a 20% year-on-year increase in total revenue.

Historically, NL has maintained a gross margin of 75%. However, due to higher computational and infrastructure costs associated with AI implementation, Cost of Goods Sold (COGS) is expected to increase to 30% of revenue in FY-2026.

Operating expenses, including Sales & Marketing, Research & Development, and General & Administrative costs, are strictly controlled at Rs.45 million per annum.

The applicable corporate income tax rate for the fiscal year 2026 is 29%.

Requirement:
Based on the above information, prepare the projected Income Statement for FY-2026 by calculating the following:

1. Projected Revenue
2. Gross Profit
3. Operating Income (EBIT)
4. Net Income for FY 2026 *(assuming no interest expense)*

Solve/ Type Your Answer Here

THE END

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Time Allowed: 03 Hours   **Maximum Marks: 100**

MULTIPLE CHOICE QUESTIONS (MCQs):

1. Which of the following represents the highest level in a typical company's organizational structure?

A	Department Manager
B	Board of Directors
C	Supervisor
D	Operational Staff

2. Which organizational structure groups employees based on specialized functions such as marketing, finance, and operations?

A	Divisional structure
B	Matrix structure
C	Functional structure
D	Flat structure

3. Which type of company has both limited liability and restrictions on the transfer of shares, and cannot invite the public to subscribe to its shares?

A	Public limited company
B	Private limited company
C	Single Member Company
D	Holding company

4. Which of the following companies is formed by a special Act of Parliament or State Legislature?

A	Government company
B	Statutory company
C	Foreign company
D	Associate company

5. The SECP plays a crucial role in investor protection mainly by:

A	Guaranteeing returns on investments
B	Monitoring and regulating market intermediaries
C	Providing loans to investors
D	Fixing stock prices

6. Which of the following entities falls under the regulatory jurisdiction of the SECP?

A	Commercial banks
B	Exchange companies
C	Non-Banking Finance Companies (NBFCs)
D	Microfinance banks

7. Identify the function that is not performed by the Securities and Exchange Commission of Pakistan (SECP).

A	Regulation of capital markets
B	Registration of companies
C	Issuance of currency notes
D	Supervision of insurance companies

8. Which of the following powers enables the SECP to ensure corporate compliance?

A	Power to amend the Constitution
B	Power to conduct inspections and investigations
C	Power to approve national budgets
D	Power to impose income tax

9. The Audit Committee under the Code of Corporate Governance 2019 must consist of:

A	Only executive directors
B	Majority independent directors, including the chairperson
C	Only shareholders
D	Company employees

10. According to the Code of Corporate Governance 2019, directors are required to complete which requirement?

A	Annual overseas training
B	Director Training Program (DTP) certification
C	No formal training
D	Only internal company training

11. According to IAS 1, an entity should classify assets and liabilities as current or non-current:

A	Based on their legal form
B	Based on management intention only
C	Based on the entity's normal operating cycle
D	Based on tax treatment

12. Under IAS 1, which of the following must be disclosed when management has significant doubt about the entity's ability to continue as a going concern?

A	Expected future profits
B	Details of share capital
C	Material uncertainties related to going concern
D	Market value of assets

13. Which of the following items is required to be presented in Other Comprehensive Income (OCI) rather than profit or loss under IAS 1?

A	Revenue from contracts with customers
B	Finance costs
C	Revaluation surplus on property, plant and equipment
D	Administrative expenses

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14. When using the indirect method under IAS 7, which of the following adjustments is required to profit before tax?

A	Deduct increase in trade payables
B	Add back depreciation expense
C	Deduct interest received
D	Add proceeds from sale of assets

15. Under IAS 7, which of the following cash flows should be classified as operating activities for a financial institution?

A	Interest paid
B	Dividends paid
C	Proceeds from issue of shares
D	Repayment of borrowings

16. Under IFRS 15, revenue should be recognized when:

A	The contract is signed, regardless of performance
B	Control of goods or services is transferred to the customer
C	Payment is received from the customer
D	The entity incurs costs to fulfill the contract

17. Variable consideration is included in the transaction price only when:

A	It is measurable reliably
B	It is contractually stated
C	It is highly probable that no significant revenue reversal will occur
D	Cash has been received

18. IFRS 15 requires the transaction price to be allocated to performance obligations based on:

A	Their standalone selling prices
B	Contract signing date
C	Historical cost of fulfilling each obligation
D	Management's discretion

19. Choose the best description of the performance obligation under IFRS 15?

A	Any promise to deliver goods or services to a customer
B	Only the obligation to transfer goods, not services
C	A legal obligation under contract law
D	The timing of revenue recognition

20. Under IFRS 16, a lease is recognized on the balance sheet when:

A	The contract transfers substantially all the risks and rewards of ownership of the asset
B	The lease term is more than 12 months and the underlying asset is of low value
C	The entity has the right to control the use of an identified asset for a period of time in exchange for consideration
D	Payment is made in advance

21. A lessee under IFRS 16 measures the right-of-use asset initially at:

A	Present value of future lease payments only
B	Lease liability plus initial direct costs, restoration costs, and prepaid lease payments
C	Cost of the underlying asset
D	Fair value of the leased asset

22. Under IFRS 16, re-measurement of lease liability is required when:

A	The lessee changes the depreciation method
B	There is a change in lease term, assessment of purchase option, or index/rate affecting lease payments
C	Annual profit is lower than expected
D	The lessee pays the lease in advance

23. Under IFRS 9, a financial asset is classified at amortized cost if it meets both of the following criteria: the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and:

A	The asset has variable interest payments only
B	The contractual cash flows are solely payments of principal and interest
C	The asset is measured at fair value through OCI
D	The asset is intended to be sold in the near term

24. IFRS 9 requires that changes in the fair value of a financial asset measured at FVOCI for debt instruments are:

A	Recognized in profit or loss immediately
B	Recognized in OCI, with cumulative gains or losses reclassified to profit or loss on derecognition
C	Never reclassified
D	Recognized in equity directly, bypassing OCI

25. Which of the following is not a category for financial asset classification under IFRS 9?

A	Amortized cost
B	Fair value through profit or loss (FVTPL)
C	Fair value through other comprehensive income (FVOCI)
D	Historical cost

26. According to the Companies Act, 2017, the directors' report must be approved by the board and signed by:

A	Only the chairman of the board
B	At least two directors, one of whom must be the CEO
C	All directors of the company
D	The CEO and CFO

27. Which of the following statements regarding the directors' report under the Companies Act, 2017, is incorrect?

A	The report must contain a fair review of the company's business and financial position
B	It must include the directors' statement on compliance with the Code of Corporate Governance
C	It is mandatory to disclose the company's future dividend policy
D	The report should mention any significant changes in accounting policies

28. Earning Management best describes as;

A	Deliberate manipulation of financial statements to mislead stakeholders
B	Adjusting accounting choices within legal frameworks to influence reported earnings
C	Fraudulent reporting of revenues and expenses for personal gain
D	Ignoring accounting standards to inflate profits

29. A company receives information after the reporting period that a major customer, who owed a significant amount at year-end, has gone bankrupt. How should this be treated under IAS 10?

A	It is a non-adjusting event, so no adjustment is required.
B	It is an adjusting event, and the receivable should be written off in the financial statements.
C	It should be disclosed in the notes but not adjusted in the financial statements.
D	It should be ignored as it occurred after the reporting period.

30. An audit committee can strengthen internal controls by:

A	Replacing the internal audit function entirely
B	Approving management bonuses without restrictions
C	Reviewing and challenging management's accounting judgments
D	Delegating all oversight responsibility to external auditors

DESCRIPTIVE QUESTIONS:

1. Define Public Limited Company and distinguish between Public Listed Company and Public Unlisted Company.

Solve/ Type Your Answer Here

2. The SECP (Securities & Exchange Commission of Pakistan) is primarily responsible for regulating and supervising the corporate sector, capital market participants. Briefly describe the various functions of SECP.

Solve/ Type Your Answer Here

3. A company reported a significant net increase in cash during the year despite making large purchases of property, plant, and equipment, and paying off substantial long-term debt. Explain, using IAS 7, how this situation could occur, and what additional information should be disclosed to help users understand the cash flow movements.

Solve/ Type Your Answer Here

4. How would the subsequent measurement and expense recognition differ if the lease is classified as a finance lease versus an operating lease?

Solve/ Type Your Answer Here

[Note: The questions made available through this Model Paper reflects the pattern of questions to be tested in exams. However, their numbers will vary as per the Question Paper Pattern and Structure (QPPS) and respective weightage of the subject.]

5. A company's CEO is also a major shareholder in a supplier company from which the entity procures raw materials. During the year, significant purchases were made from this supplier on terms different from those offered to unrelated parties. Explain, under IAS 24, how these transactions should be identified, measured, and disclosed. Why is disclosure important for users of the financial statements?

Solve/ Type Your Answer Here

6. A company discovers, after the reporting period, that a natural disaster destroyed inventory that existed at year-end. Discuss how IAS 10 guides the company in adjusting the financial statements, if at all, and what disclosures are required. How does the timing of the event relative to the reporting period affect accounting treatment?

Solve/ Type Your Answer Here

7. Explain how the COSO Internal Control – Integrated Framework, defines and interrelates its five components of internal control. Provide an example of how an organization can apply each component in a practical setting.

Solve/ Type Your Answer Here

8. Discuss how an effective audit committee helps ensure transparency, financial integrity and compliance within company.

Solve/ Type Your Answer Here

THE END

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Time Allowed: 03 Hours　　　　　　　　　　　　　　　**Maximum Marks: 100**

MULTIPLE CHOICE QUESTIONS (MCQs):

1. Under the Income Tax Ordinance, 2001, a Permanent Establishment (PE) of a non-resident in Pakistan is created when:

A	A non-resident earns income from Pakistan through electronic means
B	A dependent agent habitually concludes contracts on behalf of the non-resident
C	A non-resident owns shares in a Pakistani subsidiary
D	Goods are exported to Pakistan on FOB basis

2. Avoidance of double taxation income tax ordinance 2001 under Section 107 under tax treaties is generally achieved through:

A	Final tax regime
B	Exemption or tax credit method
C	Advance tax adjustments
D	Group relief provisions

3. Which statement regarding GAAR is correct?

A	GAAR applies only where no specific anti-avoidance rule exists
B	GAAR overrides all provisions of the Ordinance
C	GAAR supplements specific anti-avoidance provisions
D	GAAR applies only to transfer pricing cases

4. In Pakistan, double taxation shall be eliminated from the income derived from China is a dividend paid by a company which is a _____ of China to a company which is a resident of Pakistan and which owns _____ of the shares of the company paying the dividend, the credit shall take into account the tax paid to China by the company paying the dividend in respect of its income.

A	Resident, not less than 10%
B	Non-Resident, not less than 10%
C	Non-resident, 5%
D	Resident, not less than 5%

5. Federal Excise Duty (FED) under the Federal Excise Act, 2005 is levied on:

A	All goods and services
B	Only imported goods
C	Specified goods and services
D	Agricultural produce

6. The value of imported goods for customs purposes is generally determined based on:

A	Retail price
B	Transaction value
C	Market value in Pakistan
D	Book value

7. Income earned by Pakistani freelancers through platforms such as Upwork and Fiverr is generally classified as:

A	Salary income
B	Capital gains
C	Income from other sources
D	Income from business

8. For a Pakistani freelancer, income received from foreign digital platforms is taxable in Pakistan based on:

A	Source of payment
B	Currency of receipt
C	Residential status of the taxpayer
D	Location of the digital platform

9. Before Submitting return under " Business Income" we need to enter_____ for calculation of Minimum Tax in Tax Changeable/ Payments -Computation Tab.

A	Turnover and Accounting Profit.
B	Turnover
C	Accounting Profit.
D	Cost of Goods Sold

10. If a Seller has not submitted Annexure C and submitted its GST return in your Annexure A transaction will appear as _____ and what will be status of your GST return will be _____ till last day of the month.

A	Unsubmitted, Submitted
B	Unsubmitted, Provisional Return
C	Submitted, Submitted.
D	Submitted, Invalid.

11. A foreign-controlled resident company has foreign debt of Rs. 50 million and foreign equity of Rs. 10 million at year-end. Under thin capitalization rules (3:1 debt/equity), how much debt is disallowed for interest deduction?

A	Rs. 20 Million
B	Rs. 30 Million
C	Rs. 40 Million
D	Rs. 50 Million

12. ABC Limited reports taxable income of Rs. 520 million.
FBR makes the following adjustments:

- Transfer pricing upward adjustment: Rs. 35 million
- GAAR disallowance of artificial expense: Rs. 20 million
- Excess depreciation already included in accounts: Rs. 15 million

Determine the adjusted taxable income.

A	Rs. 570 million
B	Rs. 575 million
C	Rs. 590 million
D	Rs. 605 million

13. A Pakistani subsidiary purchased raw materials from its foreign parent:

- Transfer price: Rs. 210 million
- Arm's length price: Rs. 260 million

The company also paid interest of Rs. 30 million on excess related-party debt, all disallowed under Transfer Pricing rules.

If original taxable income was Rs. 400 million, compute the final taxable income.

A	Rs. 450 million

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B	Rs. 480 million
C	Rs. 490 million
D	Rs. 520 million

14. A Pakistani resident company earns Rs. 100 million royalty income from China.

- Chinese withholding tax (treaty): 10%
- Pakistan tax rate on royalty: 15%

Ascertain the net Pakistan tax payable after Foreign Tax Credit (FTC).

A	Rs. 0
B	Rs. 5 million
C	Rs. 10 million
D	Rs. 15 million

15. Jazz operates in the Middle East with:

- Regional revenue: Rs.500 million
- Activities attributable to Pakistan PE: 35%
- Allowable expenses related to PE: Rs. 90 million

The profit taxable in Pakistan is:

A	Rs.85 million
B	Rs. 95 million
C	Rs. 110 million
D	Rs. 125 million

16. A Karachi-based IT consultancy registered with SRB provides taxable services worth PKR 1,200,000 to an unregistered non-active client. The applicable SRB rate is 15%.
Under SRB withholding special procedure, the agent must withhold SST on services supplied by an unregistered provider using the formula (Value × rate)/(100 + rate).
The SST withheld would be:

A	Rs. 156,522
B	Rs. 150,000
C	Rs. 180,000
D	Rs. 156,000

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17. A Karachi brewery manufactures beverages with a retail ex-factory value of Rs.10,000,000. FED on aerated beverages is charged at 20% of the retail price. The FED payable would be:

A	Rs. 1,800,000
B	Rs. 2,000,000
C	Rs. 2,200,000
D	Rs. 1,500,000

18. An importer brings electronics with FOB value USD 100,000, freight USD 5,000, and insurance USD 2,000. Exchange rate 285 PKR/USD. CIF = FOB + freight + insurance. Assume customs duty is 10%, regulatory duty 5%, and sales tax 18% (on CIF + duties). What is the total customs duty, regulatory duty, and sales tax payable?

A	Rs. 8,212,890
B	Rs. 7,857,000
C	Rs. 10,886,715
D	Rs. 8,445,000

19. A Pakistani freelancer earns USD 20,000 on Upwork during Tax Year 2026. Upwork charges a 20% platform fee, so the net received before exchange is USD 16,000.
According to FBR rules:
Withholding tax (WHT) at 5% is applied on gross receipts before fees.
Exchange rate = Rs. 285/USD.
Determine the Withholding tax in Rs. that the freelancer must report.

A	Rs. 228,000
B	Rs. 228,500
C	Rs. 285,000
D	Rs. 199,500

20. A retail SME has monthly sales of PKR 500,000 but fails POS integration for 2 months.
Penalty = 0.1% of monthly sales per month.
Calculate the total penalty.

A	Rs. 1,000
B	Rs. 500
C	Rs. 1,500
D	Rs. 2,000

[Note: The questions made available through this Model Paper reflects the pattern of questions to be tested in exams. However, their numbers will vary as per the Question Paper Pattern and Structure (QPPS) and respective weightage of the subject.]

21. XYZ Limited reports:

- Taxable business income = Rs. 25,000,000
- Dividend received from a local company =Rs. 3,000,000 (tax-exempt)
- Withholding tax deducted on other payments = Rs. 500,000

The applicable corporate tax rate = 29%

Determine the net corporate tax liability for IRIS filing.

A	Rs.6,750,000
B	Rs. 5,880,000
C	Rs. 7,500,000
D	Rs. 6,950,000

22. Retail SME reports:

- Monthly sales = Rs.750,000
- Missed POS integration = 3 months (0.1% penalty per month)
- Purchases from blacklisted suppliers = 20% of PKR 1,200,000 (penalty = 10%)
- WHT underreporting = Rs. 15,000

Compute total penalties and underreporting.

A	Rs. 60,000
B	Rs. 41,250
C	Rs. 50,500
D	Rs. 55,000

[Note: The questions made available through this Model Paper reflects the pattern of questions to be tested in exams. However, their numbers will vary as per the Question Paper Pattern and Structure (QPPS) and respective weightage of the subject.]

DESCRIPTIVE QUESTIONS:

1. M/s Arazon has virtual business presence in Pakistan through its platform "Book Self". The company declared Taxable Income of Rs. 4.8 billion equivalent to $ 16.0 million (converted @ Rs. 300/$). In computing Taxable Income its Tax manager added $ 10 million of its Non-resident parent for other Operations in Pakistan, administrative expenses incurred in Pakistan Rs. 150.0 million and outside Pakistan $ 0.8 million and Royalty paid to its Head Office $ 0.2 million were also deducted. M/s Arazon received $ 0.5 million from its Head office as compensation for Management Services provided by to Flyzone (another PE of the Non-Resident) this amount is included in the taxable income declared by M/s Arazon

   Required:

   The Taxable Income of M/s Arazon as PE of Non-Resident.

   Solve/ Type Your Answer Here

2. The Foreign Co. Lord Stark Ltd (UK) has established its Permanent Establishment in Pakistan. For the tax year 2026, the following data is available:

   • International profit of Lord Stark Ltd: Rs. 120,000,000
   • Turnover attributable to Pakistan PE: 20% of global turnover
   • Total administrative cost imposed by Head Office: Rs. 18,000,000
   • Allowable head office charges relatable to PE: Rs. 12,000,000
   • Royalty paid to the PE by the Head Office: Rs. 6,000,000 (not allowable).

   Required:

   Compute the taxable income of the Permanent Establishment in Pakistan and the tax payable.

   Solve/ Type Your Answer Here

3. Attock a multinational group, operates through two associated enterprises:

   • Attock Software (Pvt.) Ltd. (APL) – resident in Pakistan
   • Attock - AI UAE Ltd. (AUK) – resident in the UAE

   Both companies are associated persons under section 85 of the Income Tax Ordinance, 2001.

   The group jointly develops and exploits a proprietary cloud-based software platform used by global clients. The business model has the following characteristics:

   • The core software architecture and algorithms are jointly developed by APL and AUK.

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- APL performs advanced development, customization, and continuous enhancement of the software.
- AUK is responsible for global marketing, client acquisition, and contract negotiations.
- Both entities bear significant risks, including development risk, market risk, and IP risk.
- The intellectual property is economically owned jointly, and no reliable external comparable transactions are available.

For the tax year 2026, the combined operating results from this software business are as follows:

Particulars	Amount (Rs.)
Total consolidated revenue	1,000,000,000
Total operating costs	(700,000,000)
Combined operating profit	**300,000,000**

After a detailed functional, asset, and risk (FAR) analysis, it is agreed that:

- APL contributes 60% to value creation
- AUK contributes 40% to value creation

Required:

Using the Profit Split Method, determine the allocation of operating profit between APL and AUK.

Solve/ Type Your Answer Here

4. M/s Z Ltd disposed off Pakistan Investment Bonds of Rs 10 million on June 27 2026 to M/s Financial Supports Ltd and re-purchases them on July 12, 2026. On June 2 M/s Financial Supporters Ltd received Profit of Rs 1,000,000/- on the Bonds and no tax at source was recovered being the Company enjoys Tax exemption status. Discuss tax treatment of income from Bonds for M/s Z Ltd for the Tax year 2026.

Solve/ Type Your Answer Here

5. One of your friend has stared online sale in addition to sales through his Retail Outlet in a shopping mall as tier-1 retailer. He wanted to know is he required to also report his online sales to FBR?

Solve/ Type Your Answer Here

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6. Creative Solutions Limited provides marketing services in Punjab during tax year 2026.

- Output PST collected: Rs. 1,500,000
- Eligible input PST paid on business expenses:

Expense Type	Amount (Rs.)	PST Rate
Software Licenses	250,000	16%
Marketing Materials	150,000	16%

Required:

Compute net PST payable after allowing input tax adjustment.

Solve/ Type Your Answer Here

7. Bilal earns Rs. 250,000 from Patreon and Rs. 300,000 from TikTok. Payments are received directly into his Pakistani bank account. He wants to understand how withholding tax applies to these earnings. Discuss the withholding tax mechanism, how it applies to domestic and international platforms, and explain how Bilal can adjust withheld amounts against his final tax liability.

Solve/ Type Your Answer Here

8. Caflam Pvt Limited, a medium-sized IT firm in Lahore, is preparing to file its corporate income tax return for Tax year 2026 using the FBR IRIS Portal. The company is also responsible for filing:

- Withholding tax statements u/s 165
- Sales Tax cum Federal Excise returns
- Punjab Provincial Sales Tax returns

Explain the step-by-step procedure for filing all relevant returns on the IRIS portal, highlighting key considerations for accurate filing and compliance.

Solve/ Type Your Answer Here

THE END

Time Allowed: 03 Hours   **Maximum Marks: 100**

MULTIPLE CHOICE QUESTIONS (MCQs):

1. As restricted under the provision of section 87 of the Companies Act, 2017, no company shall, either by itself or through its nominees, hold any shares in its _____ except under conditions as specified in the Act.

A	holding company
B	holding company, having 75% shareholding of subsidiary
C	holding company, having 90% shareholding of subsidiary
D	holding company, having 100% shareholding of subsidiary

2. As per the Rule Book of Pakistan Stock Exchange Limited (PSX) "Small and Medium Sized Enterprise (SME)" means a public company, registered under the Companies Ordinance, 1984, having a post issue paid up capital not less than Rs.25 million and not more than _____.

A	Rs. 100 million
B	Rs. 150 million
C	Rs. 175 million
D	Rs. 200 million

3. According to Anti-Money Laundering Act, 2010, which of the following activities are performed by a "financial institution"?

A	Acceptance of deposits and other repayable funds from the public.
B	Lending in whatsoever form.
C	Financial leasing.
D	All of theses

4. After the first general meeting, every company shall hold general meeting once in every calendar year within a period of _____ following the close of its financial year.

A	sixty days
B	ninety days
C	one hundred and fifty days
D	one hundred and twenty days

5. As per section 151 of the Companies Act, 2017, every company shall keep records of resolutions and meetings from the date of the resolution, meeting or decision and it shall be preserved at least for _____ in physical form.

A	twenty five years
B	five years
C	ten years
D	twenty years

6. In accordance with the Companies Act, 2017, the record of every substantial shareholder or officer of a company incorporated under the Company law having shareholding in a foreign company or body corporate shall be kept by the_____.

A	Registrar
B	Commission
C	FBR
D	The relevant company

7. Under Section 132 of the Companies Act, 2017, a general meeting shall be held, within _____ months from the date of incorporation of the company.

A	twelve
B	sixteen
C	nine
D	eighteen

8. For the purpose of section 181 of the Companies Act, 2017, a non-executive director means, a person on the board of the company who:

A	is not from among the executive management team and may or may not be independent.
B	is expected to lend an outside viewpoint to the board of a company.
C	undertakes to devote his whole working time to the company and involves in managing the affairs of the company.
D	is not a beneficial owner of the company or any of its associated companies or undertakings.

9. Under the Securities Act, 2015 an "expert" includes:

A	banker
B	engineer
C	securities advisor
D	All of these

10. The Companies (Further Issue of Shares) Regulations, 2020 shall be applicable to companies issuing further capital by way of all of the following except:

A	right shares
B	bonus shares
C	shares with differential rights excluding preference shares
D	employee stock option schemes

11. Under Anti-Money Laundering Act, 2010, "transfer" means _____ or any other form of transfer of right, title, possession or lien.

A	sale
B	purchase
C	mortgage
D	All of these

12. In accordance with section 294 of the Companies Act, 2017, in the case of winding up of a company limited by shares, which of the following is most appropriate statement?

A	No contribution shall be required from any present member
B	No contribution shall be required from any past member
C	No contribution shall be required from any past or present member exceeding any amount unpaid on the shares in respect of which he is liable as such member.
D	No contribution shall be required from any past or present member.

13. Under section 27 of the Companies Act, 2017, no subscriber of the memorandum of a company limited by shares, shall take less than _____ share(s).

A	one
B	ten
C	fifty
D	one hundred

[Note: The questions made available through this Model Paper reflects the pattern of questions to be tested in exams. However, their numbers will vary as per the Question Paper Pattern and Structure (QPPS) and respective weightage of the subject.]

14. Under the Securities Act, 2015, "regulations" means regulations made by the _____ under this Act.

A	Federal Government
B	State Bank of Pakistan
C	Commission
D	None of these

15. How many persons associated for any lawful purpose may, by subscribing their names to a memorandum of association and complying with the requirements of section 14 of the Companies Act, 2017, in respect of registration, form a public company?

A	At least four or more
B	one or more
C	two or more
D	three or more

16. As per Securities Act, 2015, "Securities" in the case of listed instruments do not include:

A	shares and stock of a company (shares).
B	loan stock, bonds, Sukuk and other instruments creating or acknowledging indebtedness.
C	modaraba certificates, participation term certificates and term finance certificates.
D	bills of exchange promissory notes and certificates of deposit.

17. As per section 131 of the Companies Act, 2017, the notice of a statutory meeting shall be sent to the members at least _____ days before the date fixed for the meeting along with a copy of statutory report.

A	7
B	21
C	14
D	30

18. As per section 2 of the Companies Act, 2017, "promoter" means a person: (Select wrong option)

A	who is named as a subscriber to the memorandum of association of a company.
B	who has been named as such in a prospectus.
C	who has control over affairs of the company, directly or indirectly.
D	who acts in accordance with the advice, directions or instructions of the board of the company.

19. As per section 81 of the Companies Act, 2017, where, on issuing shares, a company has transferred a sum to the share premium account, it shall not be used for which one of the following purposes?

A	To write off the preliminary expenses of the company.
B	To write off revaluation loss.
C	To write off the expenses of, or the commission paid or discount allowed on, any issue of shares of the company.
D	To issue bonus shares to its members.

20. National Executive Committee to combat money laundering constitute d under section 5 of the Anti-Money Laundering Act, 2010, shall be chaired by the:

A	Governor SBP.
B	Minister on Foreign Affairs.
C	Minister for Finance.
D	Chairman SECP.

21. Under section 241 of the Companies Act, 2017, the payment of dividend in kind shall only be in the form of shares of a _____ held by the distributing company.

A	listed company
B	public company
C	private company
D	All of these

22. How many persons associate d for any lawful purpose may, by subscribing their names to a memorandum of association and complying with the requirements of this Act in respect of registration, form a public company?

A	At least four or more
B	one or more
C	two or more
D	three or more

[Note: The questions made available through this Model Paper reflects the pattern of questions to be tested in exams. However, their numbers will vary as per the Question Paper Pattern and Structure (QPPS) and respective weightage of the subject.]

23. The notice of a statutory meeting shall be sent to the members at least _____ days before the date fixed for the meeting along with a copy of statutory report.

A	7
B	21
C	14
D	30

24. Which one of the following is not required for conversion of an unlimited company into a limited company?

A	Prior approval of the Commission in writing.
B	Passing of a special resolution in this behalf by the unlimited company.
C	Amendments in the memorandum and articles of association.
D	Prior approval of the Registrar of Companies

25. Every public company having a share capital shall, within a period of _____ days from the date at which the company is entitled to commence business or within nine months from the date of its incorporation whichever is earlier, hold a general meeting of the members of the company, to be called the "statutory meeting":

A	120
B	90
C	180
D	60

26. As per the Companies Act, 2017, The first chief executive shall hold office up to _____ or, if a shorter period is fixed by the subscribers at the time of his appointment, for such period.

A	the first annual general meeting of the company
B	the second annual general meeting of the company
C	one year
D	three years

27. In the event of a company being wound up, which of the following statements is not true?

A	A past member shall not be liable to contribute if he has ceased to be member for one year or upwards before the commencement of the winding up.
B	A past member shall not be liable to contribute in respect of any debt or liability of the company contracted after he ceased to be a member.
C	A past member shall not be liable to contribute unless it appears to the Court that the present members are unable to satisfy the contributions required to be made.
D	A past member is not liable to contribute any money at all

28. An action is moral only if the rule behind it can be willed as a universal law for everyone, without contradiction is called _____.

A	honesty
B	linguistic modality
C	universalizability
D	morality

29. Ethical frameworks help identify and address potential legal and reputational issues before they escalate, is referred to as _____.

A	transparency
B	moral compass
C	risk aversion
D	risk mitigation

30. _____ involves exposing wrongdoing, creating an ethical dilemma between loyalty and morality, often leading to severe personal and professional retaliation, despite legal protections.

A	Whistleblowing
B	Corporate Strategy
C	Cyber security
D	Ethical Oversight

[Note: The questions made available through this Model Paper reflects the pattern of questions to be tested in exams. However, their numbers will vary as per the Question Paper Pattern and Structure (QPPS) and respective weightage of the subject.]

DESCRIPTIVE QUESTIONS:

1. In accordance with Public Offering Regulations, 2017:
   a. What is the meaning of an "Investment Agent"?
   b. What are the responsibilities of an "Investment Agent"?

Solve/ Type Your Answer Here

2. Fakhar Industries Limited was incorporated on May 2, 2023. The company has not appointed its first auditor in pursuance of section 246 of the Companies Act, 2017 until June 7, 2023. Mr. Jamil Ahmed being the Company Secretary, has been asked to provide guidance to the Board as to:
   a. What is the deadline for the appointment of first auditor/auditors?
   b. What will be his/ her tenure?

Solve/ Type Your Answer Here

3. According to section 8 of the Listed Companies (Code of Corporate Governance) Regulations, 2019:
   a) What does an executive director mean?
   b) What other directions it provides regarding the number of executive directors in the Board and the constitution of the Board for this purpose.

Solve/ Type Your Answer Here

[Note: The questions made available through this Model Paper reflects the pattern of questions to be tested in exams. However, their numbers will vary as per the Question Paper Pattern and Structure (QPPS) and respective weightage of the subject.]

4. The Companies Act, 2017, provides a list of statements which are treated as "financial statements" in relation to a company. What are these statements?

Solve/ Type Your Answer Here

5. In accordance with the Public Offering Regulations, 2017, the issuer of securities, while submitting draft prospectus to the securities exchange is required to comply with certain requirements with respect to the contents of the draft prospectus and advertisement. Briefly state the said requirements.

Solve/ Type Your Answer Here

6. As per Section 81 of the Companies Act, 2017, for what purposes may "the share premium account" be used?

Solve/ Type Your Answer Here

7. If the licence issued to associations with charitable and not for profit objects under Section 42 of the Companies Act, 2017, is revoked by the Commission what effects will it have on the relevant company according to Section 43 of the Act?

Solve/ Type Your Answer Here

[Note: The questions made available through this Model Paper reflects the pattern of questions to be tested in exams. However, their numbers will vary as per the Question Paper Pattern and Structure (QPPS) and respective weightage of the subject.]

8. If a company, through inadvertence or otherwise, is registered by a name in contravention of the provisions of section 10 of the Companies Act, 2017 or the name was obtained by furnishing false or incorrect information:

   a) What is the procedure available for rectification of such name as per the section 11 of the Act?

   b) If the company fails to report compliance with the direction or makes default in complying with the direction issued by the registrar, what would be the consequences of this failure or default?

   Solve/ Type Your Answer Here

9. Under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, what does venture project mean?

   Solve/ Type Your Answer Here

10. What is data privacy, and what steps can an organization take to ensure data privacy? (04)

   Solve/ Type Your Answer Here

THE END

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