

**Fourth Semester LL.B. Three Years Course (C.B.S.) Examination****BANKING LAW****Optional Paper—I**

Time : Three Hours]

[Maximum Marks : 80

**Note :—**(1) Attempt all Sections. Section A consists of **10** marks. Section B consists of **30** marks Section C consists of **40** marks.

(2) Follow the instructions given in each section.

(3) Marks are indicated against each question.

**SECTION—A**

1. Choose the correct alternative (any **TEN**) :—

1×10=10

(i) Reserve Bank of India was established in the year \_\_\_\_\_ :

- |          |          |
|----------|----------|
| (a) 1934 | (b) 1935 |
| (c) 1945 | (d) 1949 |

(ii) \_\_\_\_\_ is a tool used by RBI to control credit and monetary situations of the market.

- |          |          |
|----------|----------|
| (a) RTGS | (b) NEFT |
| (c) CRR  | (d) ECS  |

(iii) Regional Rural Banks are classified as \_\_\_\_\_ .

- |                                |                                   |
|--------------------------------|-----------------------------------|
| (a) Subsidiaries of NABARD     | (b) Subsidiaries of sponsor banks |
| (c) Scheduled Commercial Banks | (d) None of the above             |

(iv) Fixed deposits and Recurring deposits are \_\_\_\_\_ .

- |                                   |                         |
|-----------------------------------|-------------------------|
| (a) Repayable after agreed period | (b) Repayable as demand |
| (c) Repayable on loan             | (d) None of the above   |

(v) \_\_\_\_\_ is the bailment of goods as security for payment of debts or performance of a promise.

- |              |                       |
|--------------|-----------------------|
| (a) Mortgage | (b) Hypothecation     |
| (c) Pledge   | (d) None of the above |

(vi) CORE Banking system stands For \_\_\_\_\_ .

- |                                       |                                    |
|---------------------------------------|------------------------------------|
| (a) Channel of Rupee exchange         | (b) Customer online Rupee exchange |
| (c) Centralized online Rupee exchange | (d) None of the above              |

(vii) \_\_\_\_\_ is the minimum limit for RTGS transaction in India.

- (a) Rs. 1 Lakh
- (b) Rs. 2.5 lakh
- (c) Rs. 3 Lakh
- (d) None of the above

(viii) \_\_\_\_\_ is the organisation that works solely to monitor and arrange flow of agriculture credit in India.

- (a) NABARD
- (b) SIDBI
- (c) RBI
- (d) SEBI

(ix) For how many days the cheque can remain in circulation ?

- (a) 3 months
- (b) 6 months
- (c) 9 months
- (d) 12 months

(x) In banking terminology bad loans are referred as \_\_\_\_\_ .

- (a) Bad debts
- (b) Underwriting assets
- (c) Fictitious assets
- (d) None of the above

(xi) \_\_\_\_\_ is the name of Private Sector Bank in India.

- (a) IDBI Bank
- (b) UCO Bank
- (c) Axis Bank
- (d) All the above

(xii) \_\_\_\_\_ recognises promissory note, bills of exchange and cheque as a negotiable instrument.

- (a) Reserve Bank of India Act
- (b) Banking Regulation Act
- (c) Negotiable Instruments Act
- (d) Banking Books of Evidence Act

(xiii) \_\_\_\_\_ are the principles of good lending.

- (a) Capacity
- (b) Character
- (c) Liquidity
- (d) All of the above

(xiv) R.B.I. was established on the recommendations of \_\_\_\_\_ .

- (a) Narshiam Committee
- (b) Malimatth Committee
- (c) Hilton Young Committee
- (d) Whitley Commission

(xv) Noting is done by \_\_\_\_\_ .

- (a) Notary
- (b) Magistrate
- (c) Executive
- (d) Public Servant

**SECTION—B**

**Note :—**Both the questions in this Section are compulsory.

2. Answer the following (any **THREE**) :— 5×3=15
- (a) Discuss the powers of jurisdiction of Banking Ombudsman.
  - (b) What are the duties of Banker ?
  - (c) What do you mean by Garnishee order ?
  - (d) Discuss the principles of good lending.
3. Write short notes on (Any **THREE**) :— 5×3=15
- (a) Banker's lien.
  - (b) Composition of Local Board.
  - (c) Difference between Current and Saving Account.
  - (d) Internet Banking.

**SECTION—C**

**Note :—**Answer any **FIVE** questions of the following. 8×5=40

- 4. Elaborate the historical development of Banking System in India.
- 5. Discuss in detail the role and functions of RBI with regard to economical growth of nation.
- 6. Explain the composition of Central Board. State the grounds for removal of members from office.
- 7. Define endorsement. Describe the various types of endorsement.
- 8. Explain the circumstances for dishonour of cheque. State the consequences of wrongful dishonour.
- 9. Discuss in detail the various functions of Commercial Bank.
- 10. Explain :
  - (a) Material alteration.
  - (b) Noting and Protest.
- 11. Explain the general relationship of Banker and Customer.