

## Fourth Semester LL.B. Three Years Course (C.B.S.) Examination

## BANKING LAW

## Optional Paper-5

Time : Three Hours]

[Maximum Marks : 80

**N.B. :—** (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) The term 'Financial Assets' under SARFAESI means
  - (a) Only debt
  - (b) Only receivables
  - (c) Debtor receivables
  - (d) None of above.
- (ii) Whether limitation Act is applicable to SARFAESI Act ?
  - (a) Yes
  - (b) No
  - (c) There is no limitation clause provided in this Act
  - (d) None of above.
- (iii) Which of the following is not considered as negotiable instrument under the Negotiable Instruments Act 1881 ?
  - (a) Bill of exchange
  - (b) Promissory note
  - (c) Share Certificate
  - (d) Cheque payable to bearer.
- (iv) When the Endorser signs his name only that endorsement is known as \_\_\_\_\_.
  - (a) Endorsement in full
  - (b) Special Endorsement
  - (c) Endorsement in blank
  - (d) Restrictive Endorsement.
- (v) Liability of the drawer of a cheque is \_\_\_\_\_.
  - (a) Primary
  - (b) Secondary
  - (c) Both (a) and (b)
  - (d) None of the above.
- (vi) \_\_\_\_\_ deals with issuance of currency under RBI Act.
  - (a) Section 22
  - (b) Section 23
  - (c) Section 32
  - (d) Section 14.
- (vii) Regulation of \_\_\_\_\_ is one of the functions of the Central Bank.
  - (a) Currency
  - (b) Deposits
  - (c) Credit
  - (d) Profit.

(viii) The RBI is \_\_\_\_\_ .

- (a) A nationalised bank
- (b) Co-operative society registered under the Co-operative Societies Act.
- (c) Body Corporate under special statute
- (d) Company Registered under the Indian Companies Act. 1956.

(ix) The facility that enables us to make payment for purchase of goods by taking credit from the bank is \_\_\_\_\_.

- (a) ATM
- (b) Debit Card
- (c) Credit Card
- (d) Mobile banking

(x) Which of the following is the full form of ATM ?

- (a) Amount teller machine
- (b) Automatic teller machine
- (c) Automated teller machine
- (d) None of the above.

(xi) Which of the following accounts can be opened in the name of illiterate person ?

- (a) Saving account
- (b) Current account
- (c) Both (a) and (b)
- (d) None of the above.

(xii) A customer having current account is not entitled to which of the following benefits ?

- (a) Interest
- (b) Overdraft facility
- (c) Cheque book
- (d) Passbook

(xiii) Which of the following can exercise General lien ?

- (a) Stock brokers
- (b) Bankers
- (c) Factors
- (d) All the above

(xiv) The bank which has been set up for the development of rural economy is \_\_\_\_\_ .

- (a) Private Sector Bank
- (b) Local Area Bank
- (c) Regional Rural Bank
- (d) Nationalised Bank

(xv) Advances includes facilities like

- (a) Cash credit
- (b) Overdraft
- (c) Discounting of bills
- (d) All the above.

### SECTION—B

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

2. Answer the following (any **three**) :

5×3=15

- (a) Explain the different types of banks.
- (b) Write a note on Credit Guarantee Scheme.
- (c) Define Endorsement. State the different types of Endorsement.
- (d) Explain the position of Minors as a special type of customer.

3. (a) Write short notes on (any **three**) :

5×3=15

- (i) Debit card
- (ii) Credit card.
- (b) Bailor and bailee relationship.
- (C) Requisite of promissory note.
- (d) Functions of commercial banks.

### SECTION—C

**Note** :— Answer the following (any **five**) :

8×5=40

- 4. Write a detailed note on Banking Ombudsman.
- 5. Explain :
  - (a) Garnishee order
  - (b) Right of appropriation
- 6. Explain the penal provisions relating to dishonour of cheque.
- 7. Define lending. Elaborate the principles of good lending.
- 8. Explain the constitution and management of RBI.
- 9. Elaborate the historical background of banking institution.
- 10. Write a detailed note on advances to priority sectors.
- 11. Explain :
  - (a) Types of Bank Account
  - (b) Bill of exchange.