

**TKN/KS/16/7249**

**Fourth Semester LL.B. (Three Year Course)  
(Credit Based System) Examination  
Course Code : 4.5.1  
BANKING LAW  
Optional Paper—V**

Time—Three Hours]

[Maximum Marks—80

- N.B. :—** (1) Attempt **ALL** Sections. Section A consists of **10** marks. Section B consists of **30** marks and 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) Fixed deposits and Recurring deposits are :
- (a) Repayable after an agreed period
  - (b) Repayable on demand
  - (c) Repayable after death of depositor
  - (d) Not Repayable

(ii) When a bank returns a cheque unpaid, it is called ?

- (a) Payment of the Cheque
- (b) Drawing of Cheque
- (c) Cancelling of Cheque
- (d) Dishonour of Cheque

(iii) Banking Ombudsman is appointed by :

- (a) Reserve Bank of India
- (b) Government
- (c) Concerned State Government where RBI office is located
- (d) Finance Minister

(iv) Indian Commercial Banks are categorised into :

- (a) Public Sector Banks
- (b) Foreign Banks
- (c) Private Sector Banks
- (d) All the above

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

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

7. Explain the various types of Deposits.

8. Write short notes on :—

- (i) State Bank of India
- (ii) IDBI

9. Define Bankers and Customer. State General Relationship between banker and customer with suitable case laws.

10. Define Promissory Note. Distinguish it from bills of exchange.

11. Elaborate the functions of commercial banks.

- (c) Securitisation and Reconstruction of Financial Assets and Securities Interests Act, 2002
- (d) Companies Act, 1956
- (x) Which of the following organisation/agencies works solely to monitor and arrange flow of agriculture credit in India ?
  - (a) NABARD
  - (b) SIDBI
  - (c) RBI
  - (d) SEBI
- (xi) CRR stands for \_\_\_\_
  - (a) Crucial Reserve Rate
  - (b) Credit and Reserve Ratio
  - (c) Compulsory Return Rate
  - (d) Cash Reserve Ratio
- (xii) Consortium Advances refer to :
  - (a) Concurrent Borrowings
  - (b) Multiple Financing
  - (c) Joint financing by more than one
  - (d) Financing of Consignment Business.

- (xiii) Which of the following cannot be a feature of a Debit Card ?
  - (a) These cards cannot be used as POS centres
  - (b) Banks earn huge amount as penalties for defaulting on payment through these cards
  - (c) Can be used normal withdrawals
  - (d) Only (a) and (b)
- (xiv) \_\_\_\_\_ is called the Banker's Bank in India.
  - (a) SBI
  - (b) RBI
  - (c) Rural Bank of India
  - (d) NABARD
- (xv) \_\_\_\_\_ is the bailment of goods as security for payment of a debts or performance of a promise.
  - (a) Hypothecation
  - (b) Mortgage
  - (c) Lien
  - (d) Pledge

**SECTION—B**  
**(Short Answer Questions)**

2. Answer the following (any **THREE**) :—  $5 \times 3 = 15$
- (a) Composition of Local Board
  - (b) Principles of Sound Lending
  - (c) Material alteration
  - (d) Banker's Lien
3. Write short notes on (any **THREE**) :—  $5 \times 3 = 15$
- (a) Duties of Banker
  - (b) Garnishee Order
  - (c) Holder and Holder in due course
  - (d) Powers and duties of Banking Ombudsman.

**SECTION—C**  
**(Long Answer Questions)**

Answer the following (any **FIVE**) :—  $8 \times 5 = 40$

4. Explain the circumstances for dishonour of cheque. State the consequences of wrongful dishonour.
5. Explain the Status of Minor and Partnership Firm as a special type of Customer.
6. Define endorsement. Describe the various types of endorsement.

- (vi) What is maximum period within which the aggrieved customer can approach Ombudsman ?
- (a) 2 years
  - (b) 1 year
  - (c) One month
  - (d) No such limitation
- (vii) What is a State Cheque ?
- (a) Cheque issued without drawer's signature
  - (b) A cheque with only signature of the drawer
  - (c) A cheque which has completed 3 months from the date of its issue
  - (d) Any one of the above
- (viii) Regional Rural Banks are classified as :
- (a) Subsidiaries of NABARD
  - (b) Subsidiaries of the Sponsor banks
  - (c) Scheduled Commercial Banks
  - (d) All of the above
- (ix) \_\_\_\_\_ has specially been enacted to help banks dealing with bad loans.
- (a) Negotiable Instruments Act, 1881
  - (b) Banking Regulation Act, 1949