

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

**BANKING LAW
Optional Paper—5**

Time : Three Hours]

[Maximum Marks : 80

Note :— (1) Attempt **ALL** Sections. Section A consists of **10** marks, Section B consist 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**) :—

- (i) The N.I. Act, 1881 recognises _____ types of Negotiable Instruments.
 - (a) 2
 - (b) 3
 - (c) 4
 - (d) 5
- (ii) The Bank can exercise _____ lien as their protection against loan or overdraft which was given to his customer.
 - (a) Special
 - (b) General
 - (c) Particular
 - (d) Lending
- (iii) The Banking Regulation Act, 1949 came into force on :
 - (a) 16th Sept. 1949
 - (b) 1st Jan. 1950
 - (c) 1st April 1950
 - (d) 2nd Oct. 1950
- (iv) A company which accepts demand deposit is called as :
 - (a) Joint Stock Company
 - (b) Banking Company
 - (c) I.T. Company
 - (d) Manufacturing Company
- (v) The name Banking Companies Act was changed as Banking Regulation Act on :
 - (a) 1st March, 1966
 - (b) 19th July, 1969
 - (c) 1st March, 1968
 - (d) 1st March, 1969
- (vi) A Garnishee order is issued by :
 - (a) Income Tax Officer
 - (b) Sales Tax Officer
 - (c) R.B.I.
 - (d) Court

- (vii) Which of the following is a money market instrument ?
- (a) Certificate of Deposit (b) Call or Notice Money
(c) Repo (d) All the above
- (viii) ECS stands for :
- (a) Electronic Clearing Service (b) Electric Censor System
(c) Electronic Cross System (d) None of the above
- (ix) A one Rupee note is called :
- (a) Currency note (b) Promissory note
(c) Bank note (d) All the above
- (x) Section _____ deals with the definition of bills of exchange under Negotiable Instruments Act, 1881.
- (a) 3 (b) 4
(c) 5 (d) 6
- (xi) The Board of Financial Supervision was set up in RBI in :
- (a) 1950 (b) 1991
(c) 1992 (d) 1994
- (xii) Core Banking is a _____ branch computerisation model.
- (a) Stand-alone (b) Decentralised
(c) Centralised (d) None of the above
- (xiii) The purpose to establish RBI was to have an Institution for :
- (a) Stability of monetary standards in the country
(b) Credit control
(c) Lender of last resort
(d) All the above
- (xiv) The main aim of a banker for performing ancillary services is to earn _____ customers.
- (a) Money (b) Documents
(c) Valuables (d) Goodwill
- (xv) Bank creates the charge on the assets of borrower by way of :
- (a) Pledge (b) Hypothecation
(c) Assignment (d) All the above

1×10=10

SECTION—B

Note :— Both questions in this section are compulsory.

2. Answer the following (any **THREE**) :—

- (1) Discuss the functions of commercial banks.
- (2) State the principles of good lending. Explain any two.
- (3) Explain Bill of Exchange as a kind of Negotiable Instrument.
- (4) Write a note on Minor's A/c.

5×3=15

3. Write short notes on (any **THREE**) :—

- (a) ATM
- (b) Regional Rural Banks
- (c) Noting and protest
- (d) Garnishee order.

5×3=15

SECTION—C

Note :— Answer the following (any **FIVE**).

- 4. Write a note on Securitization Act, 2002.
- 5. Explain the various kinds of endorsement.
- 6. Discuss the general relationship between banker and customer.
- 7. Write a note on Banking Ombudsman Scheme 2006.
- 8. Discuss the functions of Central Bank.
- 9. Explain the compositions and disqualifications of members of Local board.
- 10. Explain the instances relating to termination of Banker-customer relationship.
- 11. Write a note on holder and holder-in-due course.

8×5=40