

(6 pages)

Reg. No. : .....

Code No. : 12098 E Sub. Code : CMBF 22

B.Com. (CBCS) DEGREE EXAMINATION,  
NOVEMBER 2022.

Second Semester

Banking and Finance — Core

BANKING LAW AND PRACTICE

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Deposit of cash is made using
  - (a) A Cheque
  - (b) A pay-in-slip
  - (c) A withdrawal slip
  - (d) None of these

2. \_\_\_\_\_ is the right of a person to retain the property of another person in his possession until the debt from that owner of that property is repaid.

- (a) Lien
  - (b) Retainment
  - (c) Retrenchment
  - (d) Libel

3. A Cheque dated before the date of its issue is

- (a) Ante dated cheque
  - (b) Full worth cheque
  - (c) Paymaster cheque
  - (d) Post dated cheque

4. If the endorser signs his name only the endorsement is said to be \_\_\_\_\_

- (a) Endorsement in blank
  - (b) Endorsement in full
  - (c) Conditional endorsement
  - (d) Restricted endorsement

5. The paying banker who makes cash payment of a cross cheque at the counter shall be liable for the loss of

- (a) Drawer of the cheque
  - (b) True owner of the cheque
  - (c) Collecting banker
  - (d) The first endorser

6. Current accounts are mainly opened by
  - (a) Professionals
  - (b) Agriculturalist
  - (c) Salaried class people
  - (d) Trading and industrial concern
7. A typical commercial banks provide
  - (a) Long term loans
  - (b) Medium term loans
  - (c) Short term loans
  - (d) All the above
8. The most important principle of sound lending is
  - (a) Safety
  - (b) Profitability
  - (c) Security
  - (d) All the above
9. The important delivery channel of E-banking is
  - (a) Home banking
  - (b) Tele banking
  - (c) Internet banking
  - (d) Mobile banking

10. Use of personal computers at home for conducting their banking operation is called
  - (a) Mobile banking
  - (b) Anywhere banking
  - (c) Internet banking
  - (d) Home banking

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) What are the precautions to be followed by the banker while dealing with minor?  
 Or  
 (b) Define the terms 'BANKER' and 'CUSTOMER'?
12. (a) Distinguish between a current account and savings bank account.  
 Or  
 (b) Enlist the features of fixed deposit.
13. (a) Explain the terms holder in due course.  
 Or  
 (b) What are the duties of a collecting banker?

14. (a) Bring out the differences between overdraft and cash credit.

Or

- (b) Explain the main differences between pledge and hypothecation.

15. (a) Distinguish debit card from credit card.

Or

- (b) Explain the merits of mobile banking.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) What precautions should a banker generally take while opening an account in the name of (i) A Married Woman (ii) Lunatic.

Or

- (b) What are the obligations and the rights of a banker?

17. (a) Define endorsement. Explain with illustrations the different kinds of endorsements.

Or

- (b) Describe the different types of bank accounts.

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18. (a) Discuss the precautions to be taken before honouring a cheque.

Or

- (b) Explain the duties of a paying banker.

19. (a) What are unsecured advance? What precautions should a take while making unsecured advances?

Or

- (b) State the precautions to be taken when discounting bill of exchange.

20. (a) Write short notes on : KYC, ECS, EFT, CBS and SWIFT.

Or

- (b) Discuss the advantages of core banking system.

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