

Reg. No. :

Code No. : 22147 E Sub. Code : CMBF 22

3.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2022

Second Semester

Banking and Finance – Core

BANKING LAW AND PRACTICE

For those who joined in July 2021 onwards)

Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

The general relationship between banker and customer —————

-) Debtors and creditor relationship
-) Agency
-) Trusteeship
-) All the above

A collecting banker is given protection only when he collects —————

- a) A crossed cheque
- b) An Order cheque
- c) A bearer cheque
- d) A Mutilated cheque

When the amount stated in words and figures differs, the banker

- a) Can honour the amount in figures
- b) Can honour the amount in words
- c) Can honour the amount in amount
- d) Can dishonour it

Pledge can be made —————

- a) Shares
- b) Building
- c) Book debts
- d) All the above

Expand 'ECS'

- a) Electronic Clearing System
- b) Electronic Centered System
- c) Electronic Cross Systems
- d) Electronic Conversion Systems

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2. The services rendered by a banker as an agent of his customers are called —————

- (a) Principal services
- (b) Agency services
- (c) General utility services
- (d) Social services

3. The safest form of crossing is —————

- (a) General crossing
- (b) Special crossing
- (c) Double crossing
- (d) A/c Payee crossing

4. A cheque dated subsequent to the date of its issue is —————

- (a) Post dated cheque
- (b) Blank cheque
- (c) Crossed cheque
- (d) Account payee cheque

5. RBI was set up in the year —————

- (a) 1934
- (b) 1935
- (c) 1936
- (d) 1937

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10. The click and portal model facilitates ————— banking

- (a) Traditional
- (b) Paperless
- (c) Virtual
- (d) (a) and (c) together

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) What is Banker's lien? When can a banker exercise such lien?

Or

(b) Under what circumstances can a banker have the right to set-off?

12. (a) Give a specimen of a cheque and discuss its features.

Or

(b) What is double crossing? Is it valid?

13. (a) Define 'payment in due course'.

Or

(b) Discuss in detail the statutory protection granted to a paying banker.

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[P.T.O.]

14. (a) Explain the principles that guide a banker in granting loans and advances.

Or

- (b) What are the different forms of banker's advances

15. (a) Explain the concept of bancassurance?

Or

- (b) State the objectives of the Banking Ombudsman Scheme.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Examine the relationship between a banker and a customer?

Or

- (b) Is a banker obliged to maintain the secrecy of his customer's account? Under what circumstances can he disclose the account?

17. (a) Explain the different kinds of bank accounts bring out their significance.

Or

- (b) Bring out clearly the significance of 'Not Negotiable Crossing' and 'A/C payee crossing'.

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18. (a) Discuss the reasons for dishonor of a cheque.

Or

- (b) Explain the Precautions to be taken before honouring a cheque.

19. (a) Explain the various cannons of a good banking security.

Or

- (b) Discuss the pros and cons of making advances against stock exchange securities.

20. (a) Describe the features of the Banking Ombudsman Scheme.

Or

- (b) Discuss the features of E-banking.
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