

2010

BANKING LAW AND PRACTICE

FIFTH PAPER

Full Marks : 100

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. Answer any five questions (each answer should be within 100 words) : 5×5=25
- (a) Explain in brief different types of banks.
 - (b) Define a bill of exchange and explain the difference between a cheque and a bill of exchange.
 - (c) Who is a 'Holder in due course'? When is a banker 'Holder in due course'?
 - (d) Enumerate and discuss various kinds of endorsement.
 - (e) Define the term 'Banker' and 'Customer'. What are the general and special relations between banker and customer?

- (f) Discuss in brief about the disclosure of account information.
- (g) Discuss the recent developments of Banking Systems in India.
- (h) Discuss the different kinds of bank account and their opening procedure.

2. Answer any *three* questions (each answer should be within 200 words) : 10×3=30

- (a) Explain the role of Reserve Bank of India in development, control and functioning of Commercial Banks in India.
- (b) Define a scheduled bank and explain the conditions, which are required to include a bank in the second schedule to the Reserve Bank of India Act, 1934.
- (c) Is a banking company incorporated in India bound to maintain any reserve out of its annual profits? Explain.
- (d) In what cases can a banker dishonor his customer's cheque? Explain in detail what are material allocations.
- (e) How is an account operated in bank? Discuss the circumstances under which an account of the customer may be closed by the banker.

3. Answer any *three* questions (each answer should be within 300 words) : 15×3=45

- (a) What are the broad objectives of the Government in nationalizing twenty major commercial banks? In what respect does it differ from social control which prevailed earlier?
- (b) What is meant by selective credit control? What are the powers of the Reserve Bank to control loans and advances to different sectors of the economy?
- (c) Discuss the essential features of a negotiable instrument. What are the presumptions laid down in Section 118 of the Act?
- (d) What are the different types of customers classified as special customers of a bank? What are the obligations to fulfil so far it concerns his customer? Discuss.
- (e) What is negotiation? Are negotiation and endorsement the same thing?
Explain the legal provisions regarding endorsement.

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