



SN – 429

V Semester B.B.M. Examination, November /December 2014

(Repeaters) (Prior to 2014-15)

**BUSINESS MANAGEMENT**

**5.3 : Law & Practice of Banking**

(100 – 2013-14 Only) (90 – Prior to 2013-14)

Time : 3 Hours

Max. Marks : 100/90

- Instructions :** 1) Answers should be written only in **English**.  
2) Sections **A, B and C** to be answered by **all repeaters (90 marks)**.  
3) Section '**D**' to be answered by students of **2013-14 only (100 marks)**.

**SECTION – A**

1. Answer **any ten** of the following sub-questions. Each sub-question carries **two** marks. **(10×2 = 20)**
- Define the term Banker.
  - State the rule in Clayton's case.
  - What is an Endorsement ?
  - What do you mean by general lien ?
  - What is a stale cheque ?
  - Who is a collecting banker ?
  - What is an overdraft ?
  - What is meant by promissory note ?
  - What is an NPA ?
  - Who is a trustee ?
  - What is Debit Card ?
  - What is meant by dishonour of a cheque ?

**SECTION – B**

Answer **any five** questions. Each question carries **five** marks. **(5×5 = 25)**

- Banker is a dignified debtor. Explain.
- What are the characteristics of negotiable instrument ?

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4. What are the circumstances under which the banker has the right to set off customer's account ?
5. Briefly explain the different types of cheques.
6. Distinguish between Loan and Cash credit.
7. Explain the different types of letters of credit.
8. What do you mean by payment in due course ? Explain its features.

### SECTION – C

Answer **any three** questions. **Each** question carries **fifteen** marks. **(3×15 = 45)**

9. Explain the legal obligations of a banker to maintain secrecy about his customers account.
10. Who is a paying banker ? Explain the statutory protection given to the paying banker.
11. State the precautions to be taken by a banker while opening and operating an account in the name of
  - a) Minor
  - b) Partnership firm
  - c) Married women.
12. Briefly explain the different types of bank advances.
13. Briefly explain the duties and responsibilities of a collecting banker.

### SECTION – D

To be answered by students of **2013-14** only. **(1×10 = 10)**

14. Explain the procedure to be followed for opening a savings account.