



Reg. No. :

Name :

**Eighth Semester B.A.LL.B. (Five Year Integrated) Degree
Examination, August 2016
Paper – I : BANKING LAW**

Time : 3 Hours

Max. Marks : 80

PART – I

Answer **any five** of the following. **Each** question carries **2** marks. Answer should **not** exceed **50** words.

- Write short notes on net banking.
- Who is a banker ?
- Define promissory note.
- Explain the term holder.
- What is meant by payment in due course ?
- Describe the concept of negotiation.
- Explain endorsement in blank.

(5x2 = 10 Marks)

PART – II

Answer **any four** of the following. **Each** question carries **4** marks. **Each** answer should **not** exceed **120** words.

- What are the privileges available to a holder in course ?
- Explain the prohibitions imposed on banks under Banking Regulation Act while doing banking business.
- Distinguish between a cheque and a bill of exchange.
- Explain the precautions to be taken by a banker while opening a joint account.
- Describe paying banker.

(4x4 = 16 Marks)



PART – III

Answer **any four** of the following problems. **Each** question carries **6** marks.

- a. An instrument is endorsed as follows. "Pay X or order". X endorses it in blank. It comes into the hands of A, who passes it by simple delivery to B. Now, B forges A's endorsement and transfers it to C. Can C sue any of the parties to the instrument to recover the amount of the instrument ?
- b. A bill of exchange has been deposited with the bank for the purpose of safe custody till maturity and collection. The bank exercises lien on those bills to recover the amount due to the bank from the customer. Decide.
- c. A customer has two current accounts, one showing Rs. 8,000 as credit balance and the other overdrawn to the extent of Rs. 8,200. A garnishee order is issued against the customer. Explain the position of banker.
- d. 'X', an employee of firm was dismissed from service for misappropriation of money and property. The firm requested to get the details X' s account in SBT, Trivandrum. The bank refused it. Decide.
- e. A cheque is drawn and payable to 'P'. It is stolen and 'P's endorsement is forged. The banker pays the cheque in due course. Decide the liability of the bank.

(4×6 = 24 Marks)

PART – IV

Answer **any three** of the following questions. **Each** question carries **10** marks.

- a. Explain the relationship between banker and customer.
- b. Describe the remedies available in case of dishonour of cheques on the ground of insufficiency of fund.
- c. Explain the rules determining the maturity of a negotiable instrument.
- d. Explain the protection provided to a collecting banker under Negotiable Instruments Act, 1881.

(3×10 = 30 Marks)