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F – 1257

Reg. No. :

Name :

Eighth Semester B.A./B.Com./B.B.A. LL.B. (Five Year Integrated) Degree Examination, November 2018
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.

- Define the term "Bill of Exchange".
- Explain the term negotiation.
- What is meant by inland and foreign instruments ?
- Explain Clayton's rule in case of banker.
- Define the term "Banker".
- Explain IDBI.
- What is meant by mobile banking ?

(5×2=10 Marks)

PART – II

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

- Explain noting and protest.
- Explain the differences between holder and holder in due course.
- What is meant by material alteration ?
- Explain crossing of cheques.
- Explain presumptions of negotiable instruments under N. I. Act, 1882. (4×4=16 Marks)

P.T.O.



PART - III

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

- a. A bank manager and his customer met with an accident. Customer suffered injury which led to coma. A cheque drawn by him was presented in the bank. Can the banker refuse the payment of the cheque ?
- b. A cheque was drawn by P. Later, P wrote a letter to his banker countermanding the cheque. The banker had already paid the cheque, before the receipt of letter of P. Decide the liability of the banker.
- c. Cheque payable to XY Co. is endorsed by a director to himself in his capacity as director and paid into his personal account with SBI bank for collection. The bank received the amount and allowed him to withdraw. Decide the liability of bank.
- d. A is the holder of the bill of exchange made payable to the order of B, which contains the following indorsement in blank :
First indorsement, "B", Second indorsement, "George Kurian", Third indorsement, "Mohd Hamsa", Fourth indorsement, "Rajesh Nair". The bill A puts in suit against Rajesh Nair and strikes out, without consent of Rajesh Nair, the indorsement of George Kurian and Mohd Hamsa. Decide the rights and liabilities of all parties.
- e. P draws on Q a bill payable three months after sight. The bill passed through several persons before A becomes it holder. On presentation Q refused to pay the amount to A. Advise A. **(6×4=24 Marks)**

PART - IV

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

- a. "A banker is required to observe strict secrecy in regard to his customer's account". Critically analyse the statement.
- b. Explain different kinds of accounts in a bank.
- c. Explain how the Reserve Bank of India controls the activities of commercial banks.
- d. Explain the protection given to a paying banker and collecting banker under Negotiable Instruments Act, 1881. **(3×10=30 Marks)**