

DISTANCE EDUCATION

B.B.M. DEGREE EXAMINATION, MAY 2008.

PRACTICE AND LAW OF BANKING – I

Time : Three hours

Maximum : 100 marks

PART A — (6 × 5 = 30 marks)

Answer any SIX questions.

Each answer not exceed 1 page.

1. What do you mean by right of general lien?
2. Define the term customer.
3. When a banker can refuse payment of a cheque?
4. What are the risks in opening accounts without proper introduction?
5. Write short notes on Trade Bill and Accommodation Bill.
6. What are Merchant Banking Services?
7. What are the features of Current Account?
8. What are the precautions to be taken in dealing with a Joint Stock Company?
9. What is Letter of Credit? Explain its features.

PART B — (5 × 14 = 70 marks)

Answer any FIVE questions.

Each answer not exceed 5 pages.

10. Discuss the general features of banker customer relationship.
11. What is the legal position of a bank in respect of entries in the pass book?
12. Differentiate between Holder and Holder in due course. What are the rights and privileges of a holder in due course?
13. What is Crossing? Explain the significance of different types of crossing.
14. What is Endorsement? What are the essentials of a valid endorsement?
15. What is the statutory protection available to the paying banker?
16. Who is a collecting banker? What are the duties and responsibilities of a collecting banker?
17. Describe the circumstances when a banker should close the account of a customer?
18. What are the agency services rendered by a banker?
