

DISTANCE EDUCATION
B.B.M. DEGREE EXAMINATION, DECEMBER 2010.
PRACTICE AND LAW OF BANKING — I

Time : Three hours

Maximum : 100 marks

PART A — (5 × 8 = 40 marks)

Answer any FIVE questions.

1. How will you classify banks on the basis of ownership?
2. Discuss the merits and demerits of unit banking.
3. Define a promissory note and explain its features.
4. Define crossing. Who can Cross a cheque?
5. Emphasize the need for better customer relationship in banks in modern days.
6. Explain the precautions to be observed by a banker while opening an account for a minor.
7. Define the term illiterate and explain the procedure to be adopted by a banker for opening an account for him.
8. Write notes on :
 - (a) Demand draft.
 - (b) Safe deposit lockers.

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions.

9. Explain the general relationship between a banker and a customer.
 10. What are the circumstances under which payment to a cheque can be refused? Explain.
 11. What is endorsement? What are the different kinds of endorsement?
 12. Explain the procedures to be followed in opening an account for the following customers.
 - (a) Partnership firms.
 - (b) Joint stock companies.
 13. Explain the circumstances in which the account of customer can be closed by a banker.
 14. Write notes on :
 - (a) ATM
 - (b) Merchant banking.
 15. State the different types of credit cards and explain their uses.
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