

**DISTANCE EDUCATION****B.B.M. DEGREE EXAMINATION, MAY 2011.****PRACTICE AND LAW OF BANKING — I**

Time : Three hours

Maximum : 100 marks

**PART A — (5 × 8 = 40 marks)**

Answer any FIVE questions.

1. Describe the relationship between banker and customer.
2. How and when a banker may disclose information regarding the customers account?
3. Define payment in due course. Give examples for payment not made in due course.
4. What are accommodation bills? Explain.
5. What is the effect of regular endorsement?
6. Outline the guidelines to be followed by a banker while opening an account in joint names.
7. What is the legal position of a banker regarding a fixed deposit receipt?
8. What is letter of credit? What are its uses?

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions.

9. “Banker's lien is an implied pledge” - Discuss.
  10. Explain the characteristics of negotiable instruments.
  11. What are the duties of a collecting banker? Explain.
  12. Define crossing and explain its types.
  13. Discuss the precautions to be taken by a banker while opening an account for the minors.
  14. Examine the effect of entries in the pass book which are favourable to the customer.
  15. Write notes on
    - (a) Safety lockers
    - (b) Demand draft.
-